



Post Office Box 9010 Addison, Texas
75001-9010
5300 Belt Line Road
(972) 450-7000 Fax: (972) 450-7043

AGENDA

REGULAR MEETING OF THE CITY COUNCIL

AND / OR

WORK SESSION OF THE CITY COUNCIL

5:30 PM

JULY 15, 2013

TOWN HALL

**ADDISON TOWN HALL, 5300 BELT LINE RD., DALLAS, TX
75254 | 5:30PM WORK SESSION | 7:30PM SPECIAL
MEETING**

WORK SESSION

Item
#WS1 - Discussion of the Town Budget and Strategic Plan,
including Council goals, objectives and visioning, and Town
projects implementing the 2012-2013 Strategic Plan.

Attachment(s):

1. Strategic Plan 2013 - Project Updates
-

REGULAR MEETING

Pledge of Allegiance

Item #R1- Announcements and Acknowledgements regarding Town and Council Events and Activities

Introduction of Employees

Discussion of Events/Meetings

Item #R2 - DISCUSSION AND TAKE ACTION REGARDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2013; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

Attachment(s):

1. Ordinance authorizing, Tax and Revenue Bonds 2013

Recommendation:

Administration recommends approval.

Item #R3 - DISCUSSION AND TAKE ACTION REGARDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2013A (AMT); LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

Attachment(s):

1. Ordinance authorizing, Series 2013A (AMT)

Recommendation:

Administration recommends approval.

Item #R4 DISCUSSION AND TAKE ACTION REGARDING AN
- ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN
OF ADDISON, TEXAS, GENERAL OBLIGATION BONDS,
TAXABLE SERIES 2013B; LEVYING A TAX IN PAYMENT
THEREOF; APPROVING THE OFFICIAL STATEMENT;
APPROVING EXECUTION OF A PURCHASE
CONTRACT AND A PAYING AGENT AGREEMENT; AND
ENACTING OTHER PROVISIONS RELATING THERETO

Attachment(s):

1. Ordinance authorizing, Series 2013B (Taxable)

Recommendation:

Administration recommends approval.

Item #R5 DISCUSSION AND TAKE ACTION REGARDING AN
- ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN
OF ADDISON, TEXAS, GENERAL OBLIGATION BONDS,
TAX-EXEMPT SERIES 2013; LEVYING A TAX IN
PAYMENT THEREOF; APPROVING THE OFFICIAL
STATEMENT; APPROVING EXECUTION OF A
PURCHASE CONTRACT AND A PAYING AGENT
AGREEMENT; AND ENACTING OTHER PROVISIONS
RELATING THERETO

Attachment(s):

1. Ordinance authorizing, Series 2013 (Tax-Exempt)

Adjourn Meeting

Posted:

Chris Terry, 07/12/13, 5:00pm

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS
WITH DISABILITIES. PLEASE CALL (972) 450-2819 AT LEAST
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

Council Agenda Item: #WS1

AGENDA CAPTION:

Discussion of the Town Budget and Strategic Plan, including Council goals, objectives and visioning, and Town projects implementing the 2012-2013 Strategic Plan.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

N/A

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Maintain and enhance our unique culture of creativity and innovation, Identify opportunities for improved governance

ATTACHMENTS:

Description:

 [Strategic Plan 2013 - Project Updates](#)

Type:

Backup Material



MEMO

To: The Honorable Mayor and Council

From: Charles Goff

Re: Strategic Plan Update – Third Quarter FY2013

Date: July 12, 2013

Mayor and Council,

Attached please find a copy of the Fiscal Year 2013 (FY13) Strategic Plan as well as an update for each of the nineteen (19) strategies which were identified by Council through their planning process.

Following the approval of the FY13 Strategic Plan and Budget, staff began working on each of the identified strategies. The process began with City Manager Ron Whitehead assigning each initiative or strategy. This was followed by a series of meetings to define the scope of each strategy and to discuss potential tactics. Once responsibility, scope and tactics were assigned, staff began implementing the strategies. Council directed staff to provide an update on the status of these strategies on a quarterly basis and this is the ~~o~~ report staff is presenting.

To track progress on each strategy, staff is using the Project Planning and Performance software system developed over the last year or so. Each strategy has been input into the system, where the City Manager can review the statement of work and the progression of each task associated with every strategy through A3, RASIC, and GANNT charts.

It may be helpful to define a few terms used in the report:

- **Background** – The background provides additional perspective that may be required for a strategy and the conditions that existed at the outset that necessitated the strategy.
- **Purpose** – This defines the reason for each strategy or the goal that it is meant to achieve.
- **Measurable Success Indicators** – These are a list of criteria that can be tracked to measure the staff's successful implementation of the strategy.
- **Deliverables** – These are a set of things (recommendations, reports, programs, outcomes, etc.) that will be produced by the completion of each strategy
- **Assumptions** – These are a set of conditions that staff believes to be true when planning the implementation of the strategy.
- **Contingency Plans** – These are alterations or adjustments that staff as identified that may be necessary if certain assumptions or conditions are not met.
- **Critical Success Factors** – These are the elements and or steps that staff has identified as absolutely necessary for the successful implementation of the strategy.

In addition to these terms, there are four different status categories for each task:

- **Completed** – This indicates that staff has completed work related to this task.
- **Planned** – This indicates that a task is scheduled for future implementation. This may be for a task that is a later step in a process or is a project that for scheduling reasons has not started yet.
- **Ongoing** – This indicates that staff is currently in progress of implementing the task. Some tasks are more continuous in nature and don't have a completion date. Where possible, staff has included the scheduled completion date for each task.
- **Late** – This indicates that the scheduled completion date for this task has passed and the project is behind schedule. The narrative update should provide Council with more detail regarding the project and its timeline.

As this process has evolved and staff received feedback from the Council, there was a slight adjustment to the report. For items that are late or are tracking behind schedule, you will now see two completion dates. In addition to the originally scheduled completion date set by staff at the beginning of the project, the expected completion date was added and represents an updated target based on new circumstances related to the task.

Please review these updates. The staff will be available during the Monday, July 15, 2013 Work Session to answer any questions that you have. Please feel free to contact me at any time with questions or comments regarding the status of any strategy. If you have a question that may require a more detailed response, it may be easier to contact me prior to the meeting so that staff has an opportunity to prepare a meaningful response in time for the meeting. I can be reached via email at cgoff@addisontx.gov or by phone at 972-450-7027.

Regards,

Charles Goff
Assistant to the City Manager
Town of Addison

Strategy/Initiative Linking

| Value Proposition – Best Product (Innovation, Creativity) | |
|--|---|
| <p>Role of Council – The role of the Council is to develop a long-term vision for the Town, to develop policies necessary to achieve the vision, and to communicate with, and seek buy-in from, stakeholders. This includes:</p> <ul style="list-style-type: none">• Identifying future trends, challenges, and opportunities• Being a positive and resourceful representative for the town• Communicating with residents, businesses, and regional partners• Being good financial stewards, and• Trusting and supporting the City Manager to implement the operational aspects of the Council's vision | |
| <p>Vision – To be an attractive, thriving community that delivers the “Addison Way” with superior services, enhanced sense of community, and a safe, high-quality experience for residents, businesses, visitors, and all other stakeholders. Addison will lead the way in creativity, innovation and fiscal responsibility within a culture of excellence and kindness</p> | |
| <p>Values – The Council will at all times seek to enact policies that will promote, and to personally exemplify, the Values of the Town of Addison. The Council values:</p> <ul style="list-style-type: none">• Integrity• Respectfulness• Fun• Innovation/Creativity• Responsibility• Efficiency• Kindness | <p>Goals –</p> <ul style="list-style-type: none">• Increase revenues by at least 10% while holding the tax rate to \$.58 or less and reserves to at least 30%• Create raving fans of the Addison Experience• Practice Mindful Stewardship of Town Resources• Maintain and enhance our unique culture of creativity and innovation |
| <p>The “Addison Experience” –</p> <ul style="list-style-type: none">• Addison consistently offers a unique, innovative, high-quality, vibrant, and fun experience• Addison offers a variety of options with a welcoming personal touch in a safe, convenient, and environmentally responsible community | |

Town of Addison - Strategic Initiatives Update 07/15/2013

| Strategic Initiative: | | | |
|---|--|------------------|----------------------------|
| Create a Vision for the Airport to Maximize the Value | | | |
| Staff Liaison: | | | |
| Lea Dunn | | | |
| Budget: | \$0 | Completion Date: | 3/31/13 (Revised: 9/30/13) |
| Statement of Work: | | | |
| Background | The airport is an important asset to the Town and is now 55 years old. In order to remain competitive, it is vital that the Town develop and implement a long term plan. | | |
| Purpose | To develop a strategic plan that will establish broad policy goals for the development of Addison Airport for the next 30 years | | |
| Measurable Success Indicators | Approval and adoption of the Completed Strategic Plan | | |
| Deliverables | There are a number of deliverables since this is a multi-year project. Perhaps the most important is the strategic plan which will provide the road map for the airport's future | | |
| Assumptions | Council adopts the proposed plan | | |
| Contingency Plans | Modify and resubmit the proposed plan | | |
| Critical Success Factors | Adoption of the Strategic plan and implementation of the plan. | | |

Strategic Initiative:

Create a vision for the Airport to Maximize the Value

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|--|--------|----------------------|---------------------|
| Determine Team Time Commitment Requirements and Timeline | | Completed | |
| Develop the Vision and Goals | | Completed | |
| council Liaison Agree with the Vision | | Completed | |
| Outline Broad Strategies | | Completed | |
| Present to Council Liaisons | | Completed | |
| Define Trip/Visit Criteria (what are the goals for the trips) | | Completed | |
| Generate a List of Relevant Airports | | Completed | |
| Schedule and Conduct Trips | | Completed | |
| Revisit and Revise Vision/Goals/Strategies | | Completed | |
| Modify Based on Feedback | | Completed | |
| Write the Strategic Plan | | Completed | |
| Finalize Strategic Plan and Develop Implementation and Communications Plan | Late | 3/31/13 | 9/30/13 |

Status Update

Over the past year, staff and the Council liaisons have completed much of the work associated with this strategy. From March of 2012 through June of 2012 staff and the Council liaison travelled and met with key airport, city and elected officials at 8 different GA airports nationwide that were identified as airport's that had both similar and contrasting characteristics and methodologies from that of Addison Airport. These visits and meetings provided the data, identified critical issues, and ultimately the goals and strategies needed in developing the strategic plan. Those airports were: Sugarland, TX., Scottsdale, AZ., Denver Centennial, Ft. Meyers, Fla., Naples, Fla., Morristown, NJ., Teterboro, NJ. and Dallas Executive. The team also conducted a SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats), met, interviewed and surveyed key-stakeholders at Addison Airport that included all Fixed Based Operators (FBO's), Tenants both Recreational and Business as well as meeting with the key administrators at the Federal Aviation Administration (FAA) in Ft. Worth and The Texas Department of Transportation - Aviation Division in Austin.

The draft strategic plan was presented to Council June 17. The plan will be discussed further during the month of August and finalized in September

Town of Addison - Strategic Initiatives Update 07/15/2013

| | | | |
|--|--|-------------------------|----------------------------|
| Strategic Initiative: | | | |
| Define, Measure, Evaluate, and Improve Success for all Town Businesses | | | |
| Staff Liaison: | | | |
| Charles Goff | | | |
| Budget: | \$0 | Completion Date: | 9/30/13 (Revised: 1/31/14) |
| Statement of Work: | | | |
| Background | As part of council's strategic plan, this strategy is to establish a means by which to better define, evaluate, and improve success for all Town Businesses. In order to do this, the City Manager's Office is leading an effort to determine a set of metrics that would indicate whether or not each department is achieving success. this project will also address the desire by Council and the Manager's Office to better track and report these indicators. Additionally, the theme for the 2012-13 Budget is to know the businesses we are in. | | |
| Purpose | The Purpose of this strategy is to ensure that Town staff will know their business and do it well. Through this process, staff will be better able to identify and communicate performance to stakeholders. | | |
| Measurable Success Indicators | Instituted system for tracking and reporting performance with measurable indicators | | |
| Deliverables | Key Success Indicators for each Department, Goals for Performance, Reporting Mechanism to Track and Communicate Progress | | |
| Assumptions | Availability of Department Directors, Technology necessary for tracking and reporting | | |
| Contingency Plans | Develop alternant methods for tracking and reporting | | |
| Critical Success Factors | Availability of Department Directors, Technology necessary for tracking and reporting | | |

Strategic Initiative:

Define, Measure, Evaluate, and Improve Success for all Town Businesses

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|---|---------|----------------------|---------------------|
| Determine Project Scope, Process, and Timeline | | Completed | |
| Hold Kick-off meeting with Departments to Discuss Process and Goals | | Completed | |
| Conduct Meetings to Indentify a Definition of Success for each Department | | Completed | |
| Finalize Definitions with City Manager's Office and Departments | | Completed | |
| Establish Performance Measures for Each Department | Late | 6/28/13 | 9/30/13 |
| Determine Benchmarks and Best Practices for Performance Indicators | Planned | 8/30/13 | 9/30/13 |
| Set Goal for Each Performance Indicator | Planned | 8/30/13 | 9/30/13 |
| Develop Reporting Mechanism(s) to Show Progress | Planned | 7/31/13 | 10/18/13 |
| Establish a Plan with each Department to Achieve Goals | Planned | 9/30/13 | 10/31/13 |
| Implement Procedures and/or Technology to Capture Data | Planned | 9/30/13 | 1/31/14 |
| Utilize P3 system to Improve Project Management and Communication | | Ongoing | |

Status Update

The City Manager's Office has met with Rick Robinson to discuss best practices in performance measurement and lay out a process for implementing a performance measurement system. Department Directors have developed definitions of success that have been reviewed and approved by the City Manager's Office. Rick Robinson, the City Manager's Office and each of the departments are now collaborating to research benchmark organizations and industry standards to develop performance indicators based on each definition of success and establish appropriate goals. These will be selected by September 30, 2013.

The City Manager's Office, in consultation with the IT Department, will be bringing forward an MLS during the budget discussions to fund the purchase or development of a software system to aid in the collection, storage, and reporting of the data on the selected performance measures. Once complete, staff will have a more comprehensive means of reporting performance to stakeholders.

Town of Addison - Strategic Initiatives Update 07/15/2013

| | | | |
|---|--|-------------------------|---------|
| Strategic Initiative: | | | |
| Raise Property Values (Code Enforcement, Incentives to Improve) | | | |
| Staff Liaison: | | | |
| Orlando Campos | | | |
| Budget: | \$0 | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | As part of council's strategic plan, this strategy is to develop innovative programs that will help increase property values in the community and have a positive outcome in the ad valorem values collected. | | |
| Purpose | Develop new programs that will help enhance and have a positive effect on the values of properties in the community. | | |
| Measurable Success Indicators | Development of Spring Cleaning Program Development of new Yard of the Month Program Implementation of Effective Business Retention & Expansion Program | | |
| Deliverables | Town Wide Spring Cleaning Program New Yard of the Month Program Effective BREP Program Landscape Architect Position | | |
| Assumptions | That planned time line is not met with other urgent unexpected project. That support will be provided by other departments. That task assignments are completed by designated representatives. That we get a new website launched to assist with promotion of programs. | | |
| Contingency Plans | Modify plan to meet changing market conditions. Failure is not an option. | | |
| Critical Success Factors | Town Wide Spring Cleaning Program New Yard of the Month Program Effective BREP Program | | |

Strategic Initiative:

Raise Property Values (Code Enforcement, Incentives to Improve)

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|---|-----------|----------------------|---------------------|
| 1. Develop Spring Cleaning Program. | Late | 3/29/13 | 9/30/13 |
| 2. Develop Yard of the Month Program. | Late | 3/29/13 | 9/30/13 |
| 3. Implement Effective Business Retention & Expansion Program (BREP). | Ongoing | | |
| 4. Complete the Hiring of a Landscape Architect. | Completed | | |

Status Update

Spring Cleaning/Yard of the Month Program: Ongoing collaboration has continued with the Addison Arbor Foundation for support and assistance in developing a spring cleaning/yard of the month program. A preliminary draft was presented to the Foundation which was discussed by their board of directors. The Foundation Board responded with their ideas for a sustainable program. Their response is being evaluated and will be incorporated into the program plan. The Town's Parks Department is also involved in the development of the program, and once complete, the program will be housed and managed through that department so that it coincides with the Town's landscaping and tree ordinances. Completion of the program plan is anticipated before the end of the fiscal year.

Implementation of an Effective Business Retention & Expansion Program (BREP): The Economic Development Department is utilizing the Business Registration Process to develop an effective BREP through it's value add plan. Several morning meet and greet events have been held at various local office buildings and employees provided a light morning snack. The Addison Business Association has also been very supportive in this endeavor. A new Business List was also uploaded onto the Town of Addison's website. Continued management and updates to the Business Registration process has continued throughout the quarter. In addition to this, the ED Department worked with an existing firm and their consultant on an application to the Governor's Office for Economic Development for funding from the Texas Enterprise Fund. The company is considering a major expansion and has requested assistance from the State to generate additional high-paying jobs. Work will continue with the company till a decision is made by company executives on their plans. Support will also continue in setting up local company visits to gauge their business stability and to demonstrate the Town's support for their investment in the community.

A Landscape Architect was also added and has been hired to oversee the maintenance of planting on private commercial property and Town medians and rights of way.

Town of Addison - Strategic Initiatives Update 07/15/2013

| Strategic Initiative: | | | |
|--------------------------------------|--|-------------------------|---------|
| Attract New Business to Addison | | | |
| Staff Liaison: | | | |
| Orlando Campos | | | |
| Budget: | \$700,000 | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | As part of council's strategic plan, this strategy is to attract new businesses to Addison as defined in the 2010 Economic Development Strategic Plan which will be led by the Economic Development Department. | | |
| Purpose | To attract and create new businesses in the community, and identify redevelopment opportunities for investment | | |
| Measurable Success Indicators | Retail Strategy Increased commercial space absorption International Program Senior Citizen Alternative Housing development strategy Possible charter modifications to address liquor sales area Economic Development Dashboard Baylor's Accelerated Venture program | | |
| Deliverables | Retail Strategy Increased commercial space absorption International Program Senior Citizen Alternative Housing development strategy Possible charter modifications to address liquor sales area. Economic Development Dashboard Baylor's Accelerated Venture program | | |
| Assumptions | Economic conditions continue on road to prosperity; Availability and cooperation of other departments critical; Continued funding of Accelerated Ventures program from Angel Groups continue; Budget funding support continues for ED Department; Completion of Comprehensive Land Use Plan; Development of senior housing in immediate surrounding communities does not deter local need. | | |
| Contingency Plans | Modify plan to meet changing market conditions. Failure is not an option. | | |
| Critical Success Factors | Retail Strategy Increased commercial space absorption International Program Senior Citizen Alternative Housing development strategy Possible charter modifications to address liquor sales area. Economic Development Dashboard Baylor's Accelerated Venture program | | |

Strategic Initiative:**Attract New Business to Addison**

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|--|---------|----------------------|---------------------|
| 1. Create and implement a comprehensive retail strategy. | Late | 2/28/13 | 9/30/13 |
| 2. Create economic development incentive dashboard. | Late | 3/29/13 | 12/31/13 |
| 3. Explore senior citizen housing alternatives. | Late | 6/7/13 | 12/31/13 |
| 4. Baylor University Accelerated Ventures Program. | Ongoing | | |
| 5. Possible city charter changes to potentially expand liquor sales areas. | Planned | 9/30/13 | |
| 6. Develop an international program. | Ongoing | | |
| 7. Fill office/commercial/industrial space. | Ongoing | | |

Status Update

Accelerated Ventures Program: Two opportunities have presented themselves to the Town to strengthen our value add for the student entrepreneurs emanating from Accelerated Ventures. These opportunities are currently being evaluated, but will also help promote Addison as being the central location for entrepreneurial development in North Texas with Council's support.

These opportunities will help diversify and grow the number of business start-ups in Addison aside from the number that will be generated through the Accelerated Ventures program. Accelerated Ventures has been kept in the loop of what we are doing, and they are very excited about the opportunities these two other groups bring that will enhance collaboration and increase network opportunities for the students. The Dallas County Small Business Development Center, which is funded by the US Small Business Administration, will be hiring a counselor to be placed in Addison till traffic warrants a full-time position.

Retail Strategy/Liquor Sales area expansion: With the first draft of the Comprehensive Land Use Plan nearing completion, the Economic Development Department will now begin reviewing the document and developing a Retail Strategy and identify possible areas for expansion of liquor sales for the Town that will tie into the study prepared. Anticipated completion is September.

International Programs: The Economic Development Department is currently working with Airport Staff to identify opportunities that would enhance and promote international travel into Addison leveraging the existence of US Customs service at the airport. This program would tie into the Airport Strategic Plan that is being evaluated by Council for approval.

Fill Office/Commercial Space: Promotion of Addison to attract new companies that will fill office space is ongoing. Advertisements have appeared in D CEO Magazine, and event sponsorships have been done with Bisnow. A recent big win for Addison was the attraction of National Bankruptcy Services that will absorb 65,000 square feet of space at the Aberdeen Building. Last month, the Dallas Business Journal also ranked Addison as the 7th largest economic development office for 2012 based on new deals and capital investment brought into the community.

Senior Housing: Evaluation is ongoing in identifying a suitable site and potential investors. The ED Department is also taking inventory of assisted living locations in the immediate areas which may pose an obstacle in attracting this type of investment to the community due to over-saturation of the "local" market.

Town of Addison - Strategic Initiatives Update 07/15/2013

| Strategic Initiative: | | | |
|---|---|------------------|---------|
| Create and implement a Comprehensive Land Use/Revitalization Plan | | | |
| Staff Liaison: | | | |
| Carmen Moran | | | |
| Budget: | \$200,000 | Completion Date: | 6/11/13 |
| Statement of Work: | | | |
| Background | Addison is required, by Charter (section 7.03) to have a Master (or Comprehensive) Plan. The Town's current plan was completed in 1991 and needs to be updated. The Plan provides a long-range guide to direct the growth and physical development of the community. Comprehensive Planning is a process by which a community assesses what it has, what it wants, how to achieve what it wants, and finally, how to implement what it wants. | | |
| Purpose | The Comprehensive Land Use Plan will: 1. Identify highest and best use of Addison's land, 2. Contain a Strategic Plan for redevelopment of the Airport, 3. Assess the Town's infrastructure, 4. Provide brand consistency by offering guidance for eliminating undesirable land uses. | | |
| Measurable Success Indicators | Success indicators would be new developments, or redevelopments, in locations that are deemed to be below the Town's standards for desirable land uses. | | |
| Deliverables | The Comprehensive Plan will be formatted as a document, in 8 1/2 x 11" format, with maps. The document and maps will identify areas where the Town is doing well, and areas that need Special Area Studies. | | |
| Assumptions | The Council funded \$200,000.00 during 2012-2013 to hire consultants for Special Area Studies. It is assumed that the Council will allow those funds to be spent for that purpose. | | |
| Contingency Plans | If funds are not available, the staff will postpone the studies. | | |
| Critical Success Factors | Success for development proposals is measured by "flying dirt." It is hoped that our planning efforts yield new developments or redevelopments and remodels of older product. | | |

| Strategic Initiative: | | |
|---|--------|----------------------|
| Create and Implement a Comprehensive Land Use/Revitalization Plan | | |
| Key Tasks | Status | Scheduled Completion |
| Inventory all land used within the Town with respect to its current use | | Completed |
| Assess viability and market position of Town's current land uses | | Completed |
| Evaluate the Town's public facilities such as schools, medical facilities, arts facilities, etc | | Completed |
| Assess the Town's livability for its citizens through an analysis of parks and recreation facilities | | Completed |
| Evaluate each parcel in Town and measure its success through the methodology developed by the P&Z | | Completed |
| Determine parcels or areas of Town that do not meet the P&Z's standards for success | | Completed |
| Recommend parcels or areas to the City Council for Special Area Studies | | Completed |
| Present Plan to Council | | Completed |
| | | |
| Status Update | | |
| <p>The Planning and Zoning Commission has been working on the Comprehensive Plan since April of 2012. It has evaluated all land use classes within the Town and presented that portion of the document to the Council at a Joint Meeting on March 4, 2013. In March, the Commission began its "parcel-by-parcel" evaluation. In order to divide the Town into reasonable chunks, the Commission used the six planning sectors that are used in the Town's annual budget. The P&Z then evaluated each parcel according to the methodology the P&Z developed to measure "attributes of success." The P&Z has completed evaluations and has created a list of areas of the Town that seem to call for a Special Study. The P&Z presented the list to the Council , and asked that the Council approve the plan and prioritize the special study list according to areas that it would like to have studied first.</p> <p>The P&Z also wants to fold the Airport Strategic Plan into the document, and it is awaiting Council approval of that document from the Airport Strategic Plan committee. The Town's Thoroughfare Plan is another part of the Comprehensive Plan that the P&Z has not tackled. The Thoroughfare Plan is in need of updating, and the Plan is typically managed by the Department of Infrastructure Operations and Services. The staff is talking through that process with the new Director.</p> | | |

Town of Addison - Strategic Initiatives Update 07/15/2013

| Strategic Initiative: | | | |
|--------------------------------------|---|-------------------------|---------|
| Brand Protection and Enhancement | | | |
| Staff Liaison: | | | |
| Chris Terry | | | |
| Budget: | \$260,000 | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | <p>The organization currently has no comprehensive approach to all of our operations that articulates standards that protect and enhance the culture and brand of the organization. Disparate policies and practices exist in some Town departments and not in others. We need to undertake a process to inventory and develop brand standards for each department and the organization as a whole.</p> | | |
| Purpose | <p>This year, a branding study was commissioned to help us identify all aspects of our operations where brand standards need to be adopted and compiled for reference and implementation. The purpose will be to better represent our brand message to all constituents both internal and external to the organization.</p> | | |
| Measurable Success Indicators | <p>1) Completed Comprehensive Marketing Plan 2) Completed Branding Study 3) Execute events that celebrate diversity. 4) Recruiting and retaining minority-owned businesses in the mix of our economic development portfolio 5) Demonstrating the organizations success at recruiting and hiring diverse ethnicities 6) Continue educating new employees, residents, and the public on The Addison Way</p> | | |
| Deliverables | <p>1) Comprehensive Marketing Plan 2) Brand Standards Guide 3) Addison-branded merchandise plan for The Store at Visit Addison 4) Revamped Worldfest - Spotlight China 5) Develop specific economic development programs to attract more minority-owned and international business to Addison</p> | | |
| Assumptions | <p>1) Vendor (Vivanti Group) will meet our prescribed deadlines for the branding study 2) Staff successfully manages the workflow for the Comprehensive Marketing and Communication Plan 3) City Council approves any contracts and amended budgets needed to implement or complete a key task</p> | | |
| Contingency Plans | <p>1) Develop a list of other vendors who can complete this work if Vivanti is not selected or defaults in the engagement agreement. 2) Will continue to explore activities and programs that promote diversity. 3) Continue to work on developing and selling demand-driven Addison-branded merchandise to The Store at Visit Addison.</p> | | |

Strategic Initiative:

Brand Protection and Enhancement

Statement of Work:**Critical Success Factors**

1) Establishing a consistent look for all Town of Addison, messaging, logos, creative design work, etc. 2) Capturing and articulating The Addison Way culture 3) Procuring and selling a proven product line at the Store in Visit Addison 4) Active collaboration and services rendered with authorities like WAC, Mexican consulate, and international economic development authorities

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|---|---------|----------------------|---------------------|
| 1) Implement and revise a comprehensive Marketing and Communication Plan | Ongoing | 9/30/13 | |
| 2) Implement a branding study | Late | 5/7/13 | 9/30/13 |
| 3) Develop a product line of Addison-branded merchandise for sale | Late | 4/30/13 | 9/30/13 |
| 4) Embrace and promote diversity | Ongoing | 9/30/13 | |
| 5) Preserve and transferring The Addison Way culture | | Ongoing | |
| 6) Institutionalize the high standards for Special Events (Guest and Staff Experience, Quality) | | Completed | |

Status Update

1. Upon completion of departmental marketing discussions, as well as the final approval of the rebranding study, Carrie Rice will be revising existing rebranding implementation plan accordingly. The final product will include all departmental findings as well as mapping each of them to the overall Town MarComm strategy—this will provide Council and the City Manager's Office a much more comprehensive, overarching strategic approach for the Town.
2. After several "Brandstorming" sessions, Council approved our brand positioning statement which set the stage for the next phase of the project--the creative process. Staff will be presented with the Brand Vision which we plan to bring to Council in late August. Once approved, our Brand Vision will evolve into our Brand Experience Guide that will serve as a blueprint for the new TOA Brand. At that point, we will begin the final phase of the rebranding project--planning for the phased-in roll-out and implementation of our new brand. The rebranding project will still work hand-in-hand with our website project. At present, the website contract is nearly complete. The website is a massive project with an anticipated launch date of January 1, 2014.
3. The City Manager's Office continues to assess the best merchandising plan for Visit Addison's Store. Our negotiations and partnership building with the Craft Guild and its new leadership continue. We have identified some new product lines to pursue but have not advanced this project to the degree we had hoped. Our efforts are ongoing.
4. Diversity continues to guide all our efforts in Economic Development, Human Resources, and Special Events in particular.

Town of Addison - Strategic Initiatives Update 07/15/2013

| | | | |
|---|---|-------------------------|---------|
| Strategic Initiative: | | | |
| Continue to attract, hire, develop and retain great employees | | | |
| Staff Liaison: | | | |
| Passion Hayes | | | |
| Budget: | \$0 | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | As part of the council's strategic plan, this strategy is to continue to attract, hire, develop and retain great employees. In order to continue to accomplish this goal, the Council and the City Manager's Office have identified several potential tactics. | | |
| Purpose | The purpose of this strategy is to ensure that the Town is able to continue its culture of the Addison Way by attracting, hiring, developing and retaining great employees. | | |
| Measurable Success Indicators | Implementation of several programs identified as tactics below. | | |
| Deliverables | Deliverables include expanded Addison Way Training program, Addison 101 Training, Mentorship Program, Recognition Program memorialized, Empowerment/Suggestion Program, finalized Compensation Policy, an Insurance and Benefit Analysis Committee, and a Shared Services and Privatization Support | | |
| Assumptions | Availability of Department Directors and designated employees to assist with process. | | |
| Contingency Plans | Seek outside assistance through various specialized programs/consultants. | | |
| Critical Success Factors | Availability of Department Directors and designated employees to assist with process. | | |

| Strategic Initiative: | | | |
|---|---------|----------------------|---------------------|
| Continue to attract, hire, develop and retain great employees | | | |
| Key Tasks | Status | Scheduled Completion | Expected Completion |
| Formalize Recognition Programs | | Completed | |
| Establish Empowerment/ Suggestion Program by working with CMO to define goals. (On hold - City Manager has assigned Intern to research best practices) | Late | 5/31/13 | 9/30/13 |
| Establish an Insurance and Benefit Analysis Committee. | | Completed | |
| Continue to look for opportunities to expand and reinforce Addison Way Training. | Ongoing | 9/30/13 | |
| Establish a plan and guidelines for mentorship program and work with CMO to define goal and success factors. | Planned | 9/30/13 | |
| Develop and Implement Addison 101 Training program to roll out to new employees and existing employees. | Planned | 9/30/13 | |
| Continue to look for Shared Services and Privatization Opportunities Throughout the Organization. | | Ongoing | |
| Status Update | | | |
| This strategy is an ongoing one but some of the tactics identified have been completed including formalizing the recognition program and establishing an insurance and benefits committee. In addition, while the task of expanding the Addison Way program is an ongoing one, some of the accomplishments of this program/task include expanding the Addison Way training into the new employee orientation program, rolling out the Addison Way training to the Addison Advocates and offering a two part in-service Addison Way Training session to the Athletic Club staff members. The other programs, Mentorship, and Addison 101 Training are scheduled to be completed before the end of the fiscal year. The City Manager has temporarily assigned the employee empowerment program to the City Manager Intern to research best practices. Once the City Manager has reviewed and decided on a direction, he will decide who to assign the task to for completion. | | | |

Town of Addison - Strategic Initiatives Update 07/15/2013

| | | | |
|--|--|-------------------------|---------|
| Strategic Initiative: | | | |
| Infrastructure Improvement & Maintenance | | | |
| Staff Liaison: | | | |
| Lisa Pyles | | | |
| Budget: | N/A | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | For several decades, Addison was in a building phase and in the process of completing large infrastructure projects. As the Town progresses, we must take steps to ensure that the infrastructure is properly maintained and to budget for the eventual replacement at the end of its useful life. | | |
| Purpose | The purpose of this strategy is to implement measures to ensure that the Town's public infrastructure is properly maintained. | | |
| Measurable Success Indicators | Ability to track and report on maintenance activities electronically, improved planning process for capital projects and operation & maintenance activities, streamlined procurement process. | | |
| Deliverables | New Director of Infrastructure Operations & Services; electronic work order system; 5-year plans for CIP and O&M for the IOS Department; multi-year maintenance contracts, long-term department budgets. | | |
| Assumptions | There is acceptable work order software that is feasible for the Town and funding is available; sufficient funds will be dedicated to fund the 5-year plans | | |
| Contingency Plans | Explore alternative avenues to track and report on department activity; prioritize projects based on available funding. | | |
| Critical Success Factors | There is acceptable work order software that is feasible for the Town; sufficient funds will be dedicated to fund the 5-year plans | | |

Strategic Initiative:**Infrastructure Improvement & Maintenance**

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|---|---------------|-----------------------------|----------------------------|
| Hire Director of Infrastructure Operations & Services | Completed | | |
| Implement capital project management process & tracking system | Ongoing | 9/30/13 | |
| Implement electronic work order system | Ongoing | 9/30/13 | |
| Develop and begin implementation of 5-year Capital Improvement Program | Ongoing | 9/30/13 | |
| Develop and begin implementation of 5-year Operations & Maintenance Program | Ongoing | 9/30/13 | |
| Streamline procurement process by implementing multi-year maintenance contracts | Ongoing | 9/30/13 | |

Status Update

The Director position has been filled and Lisa Pyles began employment on February 18, 2013. The software for the electronic work order system has been purchased and is currently being configured for our use. The next steps will be migration onto our system and training for the staff. The refinement of the system will continue in the next fiscal year.

Staff and our consultant, R.H. Shackelford, are developing the 5-year plans for both CIP and O&M activities that will be implemented in the FY2014 budget process. Council approved the contract for the street maintenance IDIQ and the first work order has been given to the contractor. Staff is working on a RFB for water line maintenance emergency work call outs. A IDIQ contract for major water line repairs will be taken to council for approval in FY2014.

Town of Addison - Strategic Initiatives Update 07/15/2013

| Strategic Initiative: | | | |
|---|---|------------------|----------------------------|
| Fully integrate the arts as part of Addison's Brand | | | |
| Staff Liaison: | | | |
| Matt McCombs | | | |
| Budget: | \$0 | Completion Date: | 6/28/13 (Revised 12/31/13) |
| Statement of Work: | | | |
| Background | The Fiscal Year 2012-2013 Council Strategic Plan identified 19 strategies for Staff to complete in the coming fiscal year. The ninth strategy identified was to "Fully integrate the Arts as part of our brand." | | |
| Purpose | During the staff project work sessions, the tactics were clarified to be threefold. The first was to establish a Destination Arts policy which would leverage flexible art spaces, both indoor and outdoor, as a home for artists to display their work. The second was to identify and pull together a capital investment group to head a private fundraising effort to refurbish or replace existing town-owned art facility assets like the Water Tower Theatre. The third and final tactic was to establish a donations policy which would outline the means by which art was evaluated, accepted, and displayed to establish "a sense of place." | | |
| Measurable Success Indicators | Most of the measurable indicators would be based on hitting key timeline dates and Council's satisfaction with the result. Art is difficult to quantify. | | |
| Deliverables | Destination Arts Policy Public Art Donations Policy | | |
| Assumptions | <ul style="list-style-type: none"> • There are existing and available spaces which could be leveraged as "flexible art space." • There is existing and available private sector will to contribute substantial dollars towards the renovation or replacement of art facility assets. • Dannette Robberson, Mark Gooch, and Kate Hudson are available to assist with various aspects of this process from an operational perspective through the term of the project. | | |
| Contingency Plans | <ul style="list-style-type: none"> • If flexible art spaces are not existing or available, it will need to be determined if these spaces need to be created. If so, funding mechanisms and construction methods will also need to be identified and pursuing, thereby lengthening the total time of this project, possibly beyond the fiscal year. • If there is not sufficient private sector will to donate towards art facility renovation or replacement, or the amount to be donated is not sufficient to the cause, alternative funding sources such as grants will need to be explored, possibly lengthening the total time of this project. • Should identified staff not have sufficient time to dedicate to this project, leave, or change roles outside the scope of this project, overall time to delivery and completion will increase, possibly by a significant margin. | | |

Strategic Initiative:

Fully integrate the arts as part of Addison's Brand

Statement of Work:

| | |
|--|---|
| <p>Critical Success Factors</p> | <ul style="list-style-type: none"> • If a flexible art space is identified and leveraged to create the perception of Addison as a “destination arts community.” • If a consortium of private sector investors is identified, formed, and leveraged to result in the renovation or replacement of existing arts facility assets. • If a Donations Policy is adopted which meets the needs of the Town and provides a clear framework by which art pieces are selected and accepted. |
|--|---|

- | | |
|--|---|
| <p>Critical Success Factors</p> | <ul style="list-style-type: none"> • If a flexible art space is identified and leveraged to create the perception of Addison as a “destination arts community.” • If a consortium of private sector investors is identified, formed, and leveraged to result in the renovation or replacement of existing arts facility assets. • If a Donations Policy is adopted which meets the needs of the Town and provides a clear framework by which art pieces are selected and accepted. |
|--|---|

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|--|-----------|----------------------|---------------------|
| Create an Arts Donation Policy | Completed | | |
| Leverage use of Flexible Space to establish Addison as an Arts Destination | Late | 6/28/13 | 12/31/13 |
| Identify, create, and leverage a capital infrastructure investment group | Late | 6/28/13 | 12/31/13 |

Status Update

Arts Donation Policy completed and approved by the City Council. The Flex-Space task has evolved into a broader idea centered around the concept of incubators. Staff met with Tom Lamberth from UDR in early July to discuss unique uses for currently vacant spaces along Marsh Lane between Spring Valley and Vitruvian Way. Mr. Lamberth was receptive to the possibilities of performance, visual, or even culinary art incubators. The end goal would be to create a "critical mass" of up-and-coming artists which would take on a life of its own and become a true destination attraction for those seeking an authentic arts experience. A more detailed vision will be laid out as UDR finalizes the plans for their next phase over the next few months. Staff is continuing to research options and best practices for creation of a capital arts infrastructure investment group, and how that might integrate with other fund raising entities such as the Legacy Foundation.

Town of Addison - Strategic Initiatives Update 07/15/2013

| Strategic Initiative: | | | |
|--------------------------------------|--|-------------------------|-----|
| Implement Bond Propositions | | | |
| Staff Liaison: | | | |
| Alison Ream | | | |
| Budget: | \$34 million | Completion Date: | TBD |
| Statement of Work: | | | |
| Background | In May 2012, voters authorized \$55 million in bond propositions. In the fall of 2012, the Town issued \$34 million in bonds to fund: Vitruvian Park improvements, undergrounding of utilities and electronic signage on Belt Line Road, parks & pedestrian connectivity, public safety radio replacement, street land acquisition and the infrastructure for a wimax network. | | |
| Purpose | The purpose of this strategy is to successfully implement the bond projects funded by Council in the fall of 2012 | | |
| Measurable Success Indicators | Successful tracking and reporting to executive team regarding the scope, schedule and budget of projects. Projects are implemented on time and within budget. | | |
| Deliverables | Design contracts; plans, specifications & bid documents, quarterly progress reports, construction contracts; pay applications, finished project, record drawings, amended master facilities agreement for Vitruvian Park | | |
| Assumptions | Team agrees on and remains within project scopes; staff members have capacity to serve as Town's project representative; There are qualified bidders for projects; franchise utilities will be cooperative in all projects involving utility relocation | | |
| Contingency Plans | Extend timeline; allocate additional funds; reprioritize work duties to ensure adequate staffing; prioritize project elements to meet funding capabilities | | |
| Critical Success Factors | Team agrees on and remains within project scopes; staff members have capacity to serve as Town's project representative; receive qualified bidders for projects; bids come in at or below budget; good weather provides adequate work days; franchise utilities must be cooperative in all projects involving utility relocation | | |

Strategic Initiative:

Implement Bond Propositions

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|--|---------|----------------------|---------------------|
| 1. Belt Line Road | | | |
| -define project scope | | Completed | |
| -negotiate design contract | | Completed | |
| -manage design process with consultant | Ongoing | 12/31/13 | |
| -review, approve and release plans, specifications & bid documents | Planned | 12/31/13 | |
| -award construction contract | Planned | 3/31/14 | |
| -manage construction process | Planned | TBD | |
| 2. Pedestrian Connectivity | | | |
| -define project scope | | Completed | |
| -negotiate and award design contract | | Completed | |
| -determine next steps | Ongoing | 6/30/14 | |

Status Update

Belt Line: Halff Associates has been selected as the design consultants for Belt Line Rd and has begun work on the design of the project. Design is expected to be complete and construction documents issued by the end of the calendar year 2013.

Pedestrian Connectivity: The Town has engaged three Landscape Architecture firms to complete design charrettes to generate creative ideas for pedestrian connectivity in several key areas of the Town. Based on the creative product of that process, the Town awarded design contracts to Talley Associates and Mesa Design Group for pedestrian improvements to North & South Quorum Dr and Beltway/Proton.

Other Deliverables: In June 2013, Council approved an amended and restated Master Facilities Agreement with UDR to govern the Town's participation in the public infrastructure associated with Vitruvian Park. On June 15, Council will consider an action item to issue general obligation bonds for airport land acquisition and the design of Midway Rd as well as certificates of obligation to fund drainage improvements and airport capital improvements.

Town of Addison - Strategic Initiatives Update 07/15/2013

| | | | |
|--|---|-------------------------|---------|
| Strategic Initiative: | | | |
| Look for Operational Efficiencies without Cutting Services | | | |
| Staff Liaison: | | | |
| Ron Whitehead | | | |
| Budget: | \$0 | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | <p>As part of their Strategic Plan, Council established the organizational goal of being mindful stewards of Town resources. This strategy serves to direct the Town staff to find ways to operate as efficiently as possible. Council also recognizes the organization's devotion to customer service known as the Addison Way. Recently, the Town has explored the privatization and sharing of certain services with other municipalities to reduce costs.</p> | | |
| Purpose | <p>The purpose of this strategy is to explore ways to find additional efficiencies in Town operations while maintaining the Town's high quality service orientation.</p> | | |
| Measurable Success Indicators | <p>Cost reductions, where possible, with quantifiable savings</p> | | |
| Deliverables | <p>Analysis of Business Models Corporate Sponsorship Committee Report Establishment of Program to Promote Finding Efficiencies</p> | | |
| Assumptions | <p>Willing participants in Privatization and Cost Sharing Opportunities</p> | | |
| Contingency Plans | <p>If assumptions or success indicators are not met, this is a fluid process that can be rethought and refined throughout the implementation period.</p> | | |
| Critical Success Factors | <p>Willing participants in Privatization and Cost Sharing Opportunities</p> | | |

Strategic Initiative:

Look for Operational Efficiencies without Cutting Services

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|--|---------|----------------------|---------------------|
| Research Best Practices in Other Cities | | Ongoing | |
| Right Size the Organization | Ongoing | 7/31/13 | |
| Explore Additional Possibilities for Shared Services | | Ongoing | |
| Analyze our Business Models | | Ongoing | |
| Embrace and Implement Technology | | Ongoing | |
| Utilize Staff in Non-Traditional Roles | | Ongoing | |
| Explore Corporate Sponsorships Through a Committee | Planned | 9/30/13 | |
| Implement a Program to Promote Finding Efficiencies and Enhancing Service Delivery | Planned | 8/31/13 | |

Status Update

We continually look for best practices in other cities around the country that we can emulate. This process never stops.

Right sizing the organization generally addresses becoming as lean as possible. If that is the measure, we have completed this task. We have basically the same number of employees we had 10 years ago. If the measure is accommodating future development, then that task will be completed October 1, 2013 when the City Council adopts the next budget. I will file that recommendation with Council on July 31, 2013.

We are pleased with our contracted fleet service operations and will be presenting our financial analysis of that shift during the budget process. Concil recently voted on a recommendation to move forward on the joint dispatch project. We have determined that it can be accomplished, but we need to get the final dollar amounts for each city. This system will serve all four cities, regardless of what we do on the joint dispatch system. We continue to manage our relationships with Farmers Branch and Dallas for library services. This process works well for our citizens, but we have met with Farmers Branch to further enhance the accountability for the billing process. This program is financially very beneficial to the town.

We are totally revamping the business model for Visitor Services and the Conference Center. This process should be completed by October 1, 2013. We are also analyzing the business model for each department and having them define what success looks like for their operations.

We are doing everything we can to embrace technology within our ability to manage change and accommodate cost. Hamid has a detailed schedule of all of our IT projects and when we will complete them.

Strategic Initiative:

Look for Operational Efficiencies without Cutting Services

Status Update

I had the Assistants to the City Manager and the Assistant City Manager's make a presentation to Council in March that detailed the various ways we are utilizing them in the organization. There is little that is traditional in the way we are using them. I am trying to give them unique and meaningful work experiences and will changing their duties on a regular basis. Captain Paul Spencer has moved into the City Manager's office temporarily and he will have a similar exposure to a lot of things we are doing.

We are reevaluating how we pursue corporate sponsorships and Barbara Kovacevich and Chris Terry are pursuing a bid process for the service of soliciting sponsorship for the town. This will be completed by September 30, 2013.

We conducted an analysis of all of the buildings the town owns and discussed possibilities for consolidating functions and selling some structures. We have not made a determination to change anything at this time. The Americans with Disabilities act makes it difficult to modify many of our older buildings without prohibitive expense. We own the buildings outright and they are in good physical shape, so it is difficult to justify building new buildings. We are pursuing hiring a real estate consultant and we will take another look at all of the buildings before the end of 2013 and make recommendations to Council.

Town of Addison - Strategic Initiatives Update 07/15/2013

| | | | |
|--------------------------------------|---|-------------------------|---------|
| Strategic Initiative: | | | |
| Explore new/other revenue sources | | | |
| Staff Liaison: | | | |
| Eric Cannon | | | |
| Budget: | \$0 | Completion Date: | 9/30/14 |
| Statement of Work: | | | |
| Background | Review and evaluate the Town's existing fee structure. Ensure that the current fees being charged to our customers are sufficient to cover the costs associated with providing the service. Also, research the creation of an underground utility district. | | |
| Purpose | Ensure that our operations are funded sufficiently based on the costs associated with providing them, at the acceptable Addison service level. Increase the Town's revenue capability by increasing the utility capacity. | | |
| Measurable Success Indicators | Provide assurance to management that our fees are sufficient to cover the associated costs. If not, provide a new structure to accomplish this. | | |
| Deliverables | The Town will complete a utility rate study in FY13. We will also provide to management the costs associated for our fee funding services, and based on our findings provide a recommendation for the associated fee. Provide management with a cost-benefit analysis of a utility district for the Town. | | |
| Assumptions | The Town will probably need to adjust it's rates and fees. Costs associated with providing the level of service expected by our residents and commercial owners continue to increase, therefore, requiring more resources to complete those tasks. | | |
| Contingency Plans | Compare our fees to our neighbor cities, or comparable cities to ensure that we're close to the market. | | |
| Critical Success Factors | Cooperation from other departments within the Town. Also, proper staff availability; this process requires a lot of research and cost analysis. The need for additional financial resources. | | |

Strategic Initiative:

Explore new/other revenue sources.

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|--|---------|----------------------|---------------------|
| Finalize Implementation of the Stormwater Management Fee | | Completed | |
| Hotel/Motel Fund Submittal Audit | | Completed | |
| Complete the utility rate study | Late | 6/30/13 | 8/1/13 |
| Propose an updated fee/rate structure | Planned | 9/30/13 | |
| Calculate the cost of fee or rate based services | Planned | 3/30/14 | |
| Compare the Town's fee revenues to their corresponding costs | Planned | 3/30/14 | |
| Evaluate the feasibility of an underground utility district | Planned | 9/30/14 | |

Status Update

The Town has completed the implementation of a stormwater management fee and has begin providing financial updates as of the March 31, 2013 quarterly report. Staff has started a preliminary study of other potential revenue sources and review of current user fees. The Economic Development department is entering the second year of the Business Registration fee. Staff has received the Hotel/Motel audit findings for FY13. Staff has also communicated with our third party vendor (Muniservices) some of our challenges and we're trying to have them tailor their services to better fit our needs or demands. Also, council has approved a contract with J. Stowe and Company to provide the Town with a comprehensive utility rate study which is on going. The Infrastructure Operations and Services Department is working to provide an updated assessment of our current infrastructure needed to finalize the utility rate study.

Town of Addison - Strategic Initiatives Update 07/15/2013

| Strategic Initiative: | | | |
|---|--|------------------|---------|
| Enhance sense of community for all stakeholders and expand volunteer opportunities. | | | |
| Staff Liaison: | | | |
| Dannette Robberson | | | |
| Budget: | \$20,000 | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | One of the most unique aspects of Addison is the great sense of community among residents. In addition to those who call Addison home, this Council Strategy recognizes that the community also includes those who come to Addison to work and to start and grow their businesses. While the Town provides substantial information regarding events, services, and also sponsors community-centric programming and events, the extent to which the information reaches businesses and residents is unknown. | | |
| Purpose | The purpose of this strategy is to provide the residential and business community with the most up-to-date and relevant Addison information to encourage greater participation in the community and to better include stakeholder input in programming. | | |
| Measurable Success Indicators | 1)Online Calendar: 10% return from online calendar citizen satisfaction survey 2) Office Building Concierge program: 25% participation among office building occupants; Survey to participants results in positive evaluation of the programming 3) 51% approval for zipcode consolidation. | | |
| Deliverables | 1)Written analysis of Online Calendar effectiveness and recommendations/implementation of changes if needed. 2)2013 Master calendar of Office Building Concierge programs and implementation of a minimum of 10 events. 3) Comprehensive list of current Addison children's programming/analysis of programs and recommendations for new programming if current levels are insufficient. 4) Business and Residential approval for adoption of the Addison 75001 zipcode for all businesses and residents within Addison municipal boundaries. | | |
| Assumptions | 1) Funding for all of the projects will be available. 2) Staffing and resources from other departments will be available. | | |
| Contingency Plans | Develop alternative methods and/or programs for evaluating and enhancing sense of community for stakeholders. | | |
| Critical Success Factors | The funding, staffing resources and stakeholder involvement will be sufficient to carry out the strategy. | | |

Strategic Initiative:

Enhance sense of community for all stakeholders and expand volunteer opportunities.

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|---|-----------|----------------------|---------------------|
| Form a committee for the 60th Anniversary Celebration | Complete | | |
| Analyze the Addison Online Calendar to determine if it is fulfilling it's intended purpose. | Late | 2/15/13 | 9/30/13 |
| Determine whether more Activities for school-age children are needed. | Late | 2/22/13 | 9/30/13 |
| Create and implement an Addison office building concierge program. | Completed | | |
| Create additional volunteer opportunities and recognition event. | Ongoing | | |
| Zipcode consolidation campaign. | Ongoing | 8/30/13 | 12/31/13 |
| Create and implement a plan for the 60th Anniversary celebrations | Ongoing | 6/14/14 | |

Status Update

60th Anniversary Committee: The 60th Anniversary Sock-Hop kick-off event occurred on June 15, 2013 at Greenhill School. The event was well attended and the feedback was positive. Additional planned activities to engage the community and commemorate the 60th Anniversary are a photo scavenger hunt, a children's art contest themed "Addison Then and Now", a commemorative pictorial book with resident and staff photos from Addison past and present, and a monthly 60th Anniversary newsletter. Additional events are still being considered by staff.

ZIP Code Consolidation: The project is progressing as planned. The date to submit the formal request to the USPS District Postmaster has been pushed back to the end of August to ensure that the survey will not reach the residential recipients during the summer months when they may be vacationing. Staff is completing the assembly of the request packet and will present to the City Manager and Council Member Moore by July 31 for approval and edits.

Activities for school-aged children: Staff has drafted a report detailing the current programming offered for school-aged children, along with participation numbers, a listing of family-centered events sponsored by the Town, and a 2012 Summer Camp recap. The report also includes seven new possible programs for City Manager and Council consideration. The report will be presented to the City Manager the week of July 15th.

Addison online calendar analysis: There are approximately 600 people registered for the calendar. Staff is researching lower-cost alternatives to the printed calendar to satisfy citizen requests to reinstitute the printed calendar.

Volunteer recognition and additional opportunities: The Human Resources Director and Visitor Services Director are in the process of planning an unique end-of-year volunteer recognition events. The Visitor Services Dept. is launching a Destination Concierge Program to be staffed, in part, by volunteers on July 19th to welcome visitors to Addison during the opening session of a 1200 attendee conference. If successful, the program will then be expanded.

Office building concierge program: Since the Q2 update, Orlando Campos and Ben McGill visited Addison Circle One on April 29th @ 7:30am. Once again, the program was well-received. The next event is scheduled for July 23rd at 7:30 am at 14951 Dallas Parkway

Town of Addison - Strategic Initiatives Update 07/15/2013

| Strategic Initiative: | | | |
|--------------------------------------|--|-------------------------|---------|
| Develop the Next Great Idea | | | |
| Staff Liaison: | | | |
| Ron Whitehead | | | |
| Budget: | \$3.5 million | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | <p>As part of the Council's strategic plan, this strategy is to establish a means by which to implement the next great idea for Addison. Through this process, staff will explore and develop ways to enhance the Addison experience for citizens, businesses and visitors by enhancing connectivity throughout the Town. This is an inclusive process which will require input and buy-in from a wide variety of stakeholders.</p> <p>The first idea that has been generated is to enhance pedestrian connectivity throughout the Town.</p> | | |
| Purpose | The purpose of this strategy is to increase connectivity throughout the Town and will ultimately enhance the Addison experience for residents, businesses, and visitors. | | |
| Measurable Success Indicators | Improved connectivity to and within commercial and residential districts in Addison; connectivity projects delivered on-time and within budget | | |
| Deliverables | Conceptual Trail Master Plan; design contracts; plan specifications and bid documents; quarterly progress reports; construction contracts; completed projects | | |
| Assumptions | Stakeholder participation and buy-in Adequate funding Project team agrees on and remains within project scopes | | |
| Contingency Plans | Project scope and timeline can be adjusted based on the availability of funding and other factors | | |
| Critical Success Factors | Stakeholder participation and buy-in Adequate funding Project team agrees on and remains within project scopes | | |

Strategic Initiative:

Develop the Next Great Idea

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|--|---------|----------------------|---------------------|
| Enhance Lighting in Residential Neighborhoods | Planned | 10/1/13 | |
| Create a Jogging/Walking Trail Map for Visitors, Distributed Through the Hotels | Ongoing | 10/1/13 | |
| Explore Options for East/West Connection on Belt Line across the Dallas North Tollway | Planned | 5/31/14 | |
| Design and Begin Construction of a Trail Connecting Redding Trail to Arapaho Trail across Belt Line | Planned | 9/30/14 | |
| Retrofit existing intersections to meet updated design standards | Planned | 9/30/14 | |
| Address Sidewalks, Landscaping and Lighting to Facilitate Connectivity in North and South Quorum Districts | Ongoing | TBD | |
| Include Pedestrian-Oriented Elements in Belt Line and Midway Construction Projects | Ongoing | TBD | |

Status Update

We have gone through a process with three Landscape Architecture firms to give us some preliminary designs for lighting, landscape and other design features for North and South Quorum, Landmark Drive, Beltway Drive and Proton Drive. We have also looked at Crossing Belt Line with Redding Trail and at residential lighting options. Staff presenting Council with preliminary concepts and contracts were approved. We have begun working toward construction documents and hopefully will begin some of the work this summer.

I have visited with all of the major hotels in town and talked about the importance of connectivity and they are very supportive of the effort. With the recent turnover in management, staff has reached out to the new GMs to continue the positive relationship that has existed in the past. We have talked about what the experience is for the visitor when they step out the front door of the property and they have a sensitivity to this also. The pedestrian movement on Belt Line is under a different set of contracts and we are exploring those options as we determine how much right of way we need for the undergrounding of utilities and where we are placing them.

I think that we have decided that once we get the trails set we can actually create an App that will achieve our goal of getting people around town. We can have the map and a lot of other information on the App.

Design standards for our intersection to make them more pedestrian friendly is something we are working on, but we are behind on. The difficulty is that one standard will not work at every intersection, but I think we can make progress on a number of intersections by October 1, 2014.

The project for crossing Belt Line and the Tollway can be pursued now that the Dallas City Council elections have ended. Staff will work with the city of Dallas to determine their interest in the project.

Town of Addison - Strategic Initiatives Update 07/15/2013

| Strategic Initiative: | | | |
|---------------------------------------|---|-------------------------|---------|
| Formalize Non-Profit Funding Strategy | | | |
| Staff Liaison: | | | |
| Matt McCombs | | | |
| Budget: | \$0 | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | In the spring of 2011, Council identified a process by which Addison's citizen capital could be engaged to improve the process of evaluating the effectiveness of various non-profit agencies which Addison contracts with to perform special services. This process crystallized into a board of citizens known as the Community Partners Bureau, a team selected by Council Members Chris DeFrancisco and Margie Gunther. Each member was charged with the task of linking up with a particular committee and then reporting back to Council to give a complete picture of the activities of each non-profit group. | | |
| Purpose | Going forward, the non-profit selection process will be under Council's general direction and guidance. However, in a departure from Fiscal Year 2011-2012, staff will play an increased role in the scheduling and coordination of the actual application process. The intent of this change is to streamline the predictability of deadlines, as well as coordinate the receipt and dissemination of application and financial materials. | | |
| Measurable Success Indicators | Success indicators are difficult to quantify, as critical success factors are based on qualitative measures. One might be if all non-profit applications are received and processed within the timelines set forth below. | | |
| Deliverables | Non-Profit Application Schedule Non-Profit Application Packet Non-Profit Contracts (Developed in FY13, but adopted in FY14) | | |
| Assumptions | <ul style="list-style-type: none"> • That the Community Partners Bureau will continue as a functional body. • That the Council Members acting as non-profit liaisons will continue in their roles • That the actual application process will not be substantially different from prior years | | |
| Contingency Plans | <ul style="list-style-type: none"> • If the CPB does not continue, staff will prepare non-profit requests as has been done in prior years. • If Council Members or their roles changes, some additional time should be allotted to bring the new individuals up to speed on the process • If the application process is substantially different, timelines and due dates may change | | |
| Critical Success Factors | <ul style="list-style-type: none"> • If Council feels comfortable with the non-profit selection and evaluation process • If Non-Profit partners are kept advised of processes in a timely and efficient manner | | |

| Strategic Initiative: | | | |
|---|---------|----------------------|---------------------|
| Formalize Non-Profit Funding Strategy | | | |
| Key Tasks | Status | Scheduled Completion | Expected Completion |
| Draft schedule and materials for non-profit application process with comparison to prior year | | Completed | |
| Engage Council Liaisons (currently Chris DeFrancisco and Margie Gunther) regarding direction and guidance for process | | Completed | |
| Engage Council Liaisons regarding involvement and role of Community Partners Bureau (CPB) | | Completed | |
| Revise application schedule and materials, as needed | | Completed | |
| Engage Council Liaisons and Community Partners Bureau regarding new process | | Completed | |
| Distribute application materials and possible CPB reporting templates | | Completed | |
| Receive applications and CPB reporting templates | | Completed | |
| Meet with CPB to discuss applications/fill out report | | Completed | |
| Collect and compile funding requests and send to Council | | Completed | |
| Receive direction from Council. | | Completed | |
| Follow up with non-profits (if any) | Late | 6/25/13 | 8/13/13 |
| Receive final direction on funding levels from Council for inclusion into the Fiscal Year 2013 budget | Late | 7/9/13 | 9/10/13 |
| Prepare contracts for inclusion in October Council Meeting | Planned | 9/30/13 | |
| Status Update | | | |
| <p>Although the above timeline shows that we are slightly behind schedule, we are still on pace to completion by the end of the Fiscal Year. In late May, after applications were received, Council directed the City Manager to review the non-profit applications and include funding recommendations in his proposed budget, which is due at the end of July. Although the dates for the incomplete tasks, as described above, may not reflect this new process, more than sufficient time remains to accomplish each of them prior to September 30.</p> | | | |

Town of Addison - Strategic Initiatives Update 07/15/2013

| | |
|--------------------------------------|--|
| Strategic Initiative: | |
| Sustainability | |
| Staff Liaison: | |
| Alison Ream | |
| Budget: | Varies |
| Completion Date: | 1/31/14 |
| Statement of Work: | |
| Background | In order to enhance the Addison brand and to be mindful stewards of the Town's resources, Council included sustainability as a strategy in the FY13 strategic plan. The Town currently engages in a number of sustainable initiatives, but the intent of this strategy is to further incorporate sustainable principles into the Town's offerings and pursue innovative projects and initiatives that establish Addison as a leader in sustainability. |
| Purpose | The purpose of this strategy is to further incorporate sustainable principles into the Town's offerings and pursue innovative projects and initiatives that establish Addison as a leader in sustainability |
| Measurable Success Indicators | Formal document that details the Town's current sustainability activities and provides a roadmap to future initiatives; completed report on the feasibility of a gray water system in Addison; updated water conservation plan; recommendation regarding a composting pilot program; enhanced recycling program; 5 year Stormwater Management Program submitted to TCEQ |
| Deliverables | Sustainability plan; recycling plan for parks/public spaces; structure of a composting pilot program; updated water conservation plan; TCEQ SWMP permit |
| Assumptions | Sufficient funding; sufficient staff resources will be assigned to programs; TCEQ will finalize permit requirements in March 2013 |
| Contingency Plans | Identify modified programming to meet funding levels; extend timeline |
| Critical Success Factors | Sufficient funding must be secured; sufficient staff resources will be assigned to programs; TCEQ will finalize permit requirements |

Strategic Initiative:**Sustainability**

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|---|---------------|-----------------------------|----------------------------|
| Develop enhanced recycling options in parks and public spaces | Late | 5/3/13 | 12/31/13 |
| Update water conservation plan | Planned | 9/30/13 | |
| Complete Sustainability Plan | Planned | 9/30/13 | |
| Develop Multi-Family recycling pilot program | Completed | | |

Status Update

Council has approved the initiation of a multi-family recycling pilot program with Pecan Square Townhomes; staff will submit a budget request to expand that offering to all interested multi-family properties in FY2014. Staff has begun the development of the sustainability plan and exploring options to enhance recycling in public spaces.

Town of Addison - Strategic Initiatives Update 07/15/2013

| | | | |
|--------------------------------------|--|-------------------------|---------|
| Strategic Initiative: | | | |
| Enhance Public Safety | | | |
| Staff Liaison: | | | |
| Ron Davis | | | |
| Budget: | \$0 | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | Town staff has been charged with finding additional ways for enhancing public safety beyond routine police and fire department activities. | | |
| Purpose | The Purpose of this strategy is to enhance public safety through routine police and fire functions as well as additional programs and initiatives. | | |
| Measurable Success Indicators | The implementation and effectiveness of proposed programs | | |
| Deliverables | Staff will explore and propose a variety of programs intended to enhance public safety. | | |
| Assumptions | Council support Stakeholder participation | | |
| Contingency Plans | Staff can reconsider the scope of projects based on the situation | | |
| Critical Success Factors | Council support Necessary funding as will be determined Stakeholder participation | | |

| Strategic Initiative: | | | |
|---|---------|----------------------|---------------------|
| Enhance Public Safety | | | |
| Key Tasks | Status | Scheduled Completion | Expected Completion |
| Enhancing Public Safety through Public Private Partnerships | Late | 3/31/13 | TBD |
| ACAP Program | | Completed | |
| Fire Safety/CPR Classes | | Completed | |
| CASA Radar | Late | 8/30/12 | TBD |
| Live Video Monitoring of Public Spaces | | Ongoing | |
| Intersection Design Safety | Planned | 10/1/13 | |
| Neighborhood Lighting Plan | Planned | 6/30/14 | |
| Provide Better Analytics | Planned | 9/30/13 | |
| Status Update | | | |
| <p>Work is progressing on these tasks. Staff has investigated the use of public-private partnerships through the possible creation of the Safer Addison program. This project is currently awaiting further Council direction.</p> <p>The ACAP program is in place. Membership has increased by 3 since our last report. With the transition to the police fleet a car has been set aside for use by ACAP members. Once we have completed the police fleet transition we will focus on a decal scheme for the ACAP vehicle. We have also requested two Personal Transport Vehicles in the 2013/14 budget to increase the ACAP members patrol capabilities.</p> <p>The Fire Department held a fire safety class on December 1st.</p> <p>The CASA Radar will be installed once they receive a Federal grant which is being processed currently.</p> <p>Intersection Design Safety and Neighborhood Lighting enhancements will both be addressed through the implementation of the bond propositions and our connectivity plans.</p> <p>Staff is also exploring systems that will allow us to better indicate trends in Public Safety.</p> | | | |

Town of Addison - Strategic Initiatives Update 07/15/2013

| | | | |
|--------------------------------------|--|-------------------------|---------|
| Strategic Initiative: | | | |
| Town-Owned Real Estate Strategy | | | |
| Staff Liaison: | | | |
| Matt McCombs | | | |
| Budget: | \$0 | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | The Fiscal Year 2012-2013 Council Strategic Plan identified 19 strategies for Staff to complete in the coming fiscal year. The 18th strategy identified was to "Create and Implement a strategy for Town Owned Real Estate." | | |
| Purpose | The purpose of this project was to deliver a town-owned real estate inventory and map to Council for their review, and then proceed forward with whatever action plan they requested. | | |
| Measurable Success Indicators | Uncertain as of now, since project deliverables have not been defined | | |
| Deliverables | Town Owned Real Estate Inventory | | |
| Assumptions | Uncertain as of now, since project deliverables have not been defined | | |
| Contingency Plans | Uncertain as of now, since project deliverables have not been defined | | |
| Critical Success Factors | Uncertain as of now, since project deliverables have not been defined | | |

Strategic Initiative:

Town-Owned Real Estate Strategy

| Key Tasks | Status | Scheduled Completion | Expected Completion |
|--|---------|----------------------|---------------------|
| Create Town-Owned Real Estate Inventory | | Completed | |
| Present TORE Inventory to Council | | Completed | |
| Modify Inventory, as needed | | Completed | |
| Receive direction from Council on next steps | | Completed | |
| Draft RFQ for Real Estate Services | | Completed | |
| Publish RFQ for Real Estate Services | | Completed | |
| Select vendor for Real Estate Services | Planned | 8/23/13 | |
| Complete contract for Real Estate Services | Planned | 8/30/13 | |

Status Update

After presenting the real estate inventory to Council earlier this year, Council directed staff to explore the idea of a consulting services contract with a real estate firm. This firm could not only represent the Town during the sale and/or acquisition of property, but could also provide information and general consulting regarding real estate matters. In response, staff compiled an RFQ, released it, and received interest from four firms. A panel of staff members reviewed the responses and recommended a finalist to meet with the City Manager. Staff is currently checking references for this finalist. Should the references return positively, an item will be brought forward to Council at a worksession in early August to discuss the firm, and, if needed, another item in late August for approval of the service agreement.

Town of Addison - Strategic Initiatives Update 07/15/2013

| Strategic Initiative: | | | |
|--|--|------------------|---------|
| Identify Opportunities for Improved Governance | | | |
| Staff Liaison: | | | |
| Chris Terry | | | |
| Budget: | N/A | Completion Date: | 9/30/13 |
| Statement of Work: | | | |
| Background | The City Council desires to examine our current governance structures and practices on a regular and recurring basis to enhance the actual and perceived quality of governance. In an effort to further the Town's commitment to transparency in government and operating according to the highest of standards, an ongoing analysis and process for identifying best practices in governance is desired. | | |
| Purpose | To establish a mechanism of communication and work within the City Council to pursue and complete various initiatives that promote excellence in governance. | | |
| Measurable Success Indicators | 1) Increased awareness by the Council to ethics issues and a means to promote the value of ethics to the municipality 2) Liaison's selected for key regional organizations | | |
| Deliverables | 1) Ethics Guidelines in an organic document 2) Formalize liaison process 3) Continue City Council Ethics Training 4) Improved governance through regular Work Sessions with Judge Dwight 5) A successful City Council liaison process where Council members establish representatives in local and regional organizations, etc. 6) Work with a third party consultant to develop a structured City Council program on "The Role of Council" and determine "What Success Looks Like" | | |
| Assumptions | 1) City Council is willing to commit to these endeavors | | |
| Contingency Plans | 1) Continue to offer council training opportunities to enhance group/team effectiveness | | |
| Critical Success Factors | 1) A systematic process of information sharing between Courts, the City Manager's Office, and City Attorney 2) Completion of current third party consultant process to explore issues and impediments to City Council success | | |

| Strategic Initiative: | | | |
|---|-----------|----------------------|---------------------|
| Identify Opportunities for Improved Governance | | | |
| Key Tasks | Status | Scheduled Completion | Expected Completion |
| 1) Create process for improved dialogue with Municipal Judge | Ongoing | 1/10/13 | |
| 2) Create ethics guidelines (City Council has determined that a formal ethics policy beyond what already exists will not be pursued at this time) | Completed | | |
| 3) Establish and define roles of Council and Staff (This refers to the annual process underway with Rick Robinson to determine the Council's value proposition and strategies for the upcoming year) | Ongoing | 8/1/13 | |
| 4) Update liaison process (The Mayor is in the process of assessing | Ongoing | 1/10/13 | |
| Status Update | | | |
| <p>1) City Council has concluded a portion of the "Roles of Council" workshop/assessment with Randy Pennington. Over the last 90 days Rick Robinson has been meeting with both Council and staff to define "What Success Looks Like" for each and their respective roles. Clarification and finalization of these roles will be used in the upcoming FY 2013-14 budget process.</p> <p>2) A second meeting with Mr. Pennington occurred in January 2013 to discuss his findings and recommendations. This process was completed.</p> <p>3) The Council has revamped their Council liaison process and individual Council Members provide regular updates to the full Council on their activities and progress.</p> <p>4) Per Council direction, staff can schedule another upcoming Work Session with Judge Dwight for a Court update. The next update is planned for September 2013.</p> | | | |

Council Agenda Item: #R4

AGENDA CAPTION:

DISCUSSION AND TAKE ACTION REGARDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2013; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

FINANCIAL IMPACT:

Authorizes the Town of Addison to issue approximately \$10,675,000 of Combination Tax and Revenue Certificates of Obligation, Series 2013.

BACKGROUND:

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Section 5.11 of the Town's Home Rule Charter, and constitute direct obligations of the Town of Addison, Texas (the "Town"), payable from a combination of (i) an annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the Town, and (ii) a limited pledge (not to exceed \$1,000) of surplus net revenues of the Town's Waterworks and Sewer System as provided in the ordinance authorizing the issuance of the Certificates.

PURPOSE . . . Proceeds from the sale of the Certificates will be used for (a) designing, acquiring, improving, constructing and renovating facilities and infrastructure at the Addison Municipal Airport and the acquisition and improvement of land and interests in land to provide improvements, additions and access to the airport, (b) designing, acquiring, improving, constructing, and renovating City drainage and stormwater infrastructure and facilities, ((a) and (b) together, the "Project") and (ii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of

the Certificates.

RECOMMENDATION:

Administration recommends approval.

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Infrastructure improvement and maintenance

ATTACHMENTS:

Description:

 [Ordinance authorizing Tax and Revenue Bonds 2013](#)

Type:

Ordinance

ORDINANCE

relating to

§
TOWN OF ADDISON, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION
SERIES 2013

Adopted: July 15, 2013

Dated: July 15, 2013

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EXHIBIT A - Description of Annual Disclosure of Financial Information

AN ORDINANCE AUTHORIZING THE ISSUANCE OF
\$ _____ TOWN OF ADDISON, TEXAS,
COMBINATION TAX AND REVENUE CERTIFICATES OF
OBLIGATION, SERIES 2013; LEVYING A TAX, AND
PROVIDING FOR THE SECURITY FOR AND PAYMENT OF
SAID CERTIFICATES; AUTHORIZING THE EXECUTION OF
A CONTRACT OF PURCHASE AGREEMENT; APPROVING
THE OFFICIAL STATEMENT; ENACTING OTHER
PROVISIONS RELATING TO THE SUBJECT; AND
DECLARING AN EFFECTIVE DATE

WHEREAS, under the provisions of the Texas Local Government Code, Chapter 271, Subchapter C, as amended, the Town of Addison, Texas (the "Town"), is authorized to issue certificates of obligation for the purposes specified in this Ordinance and for the payment of all or a portion of the contractual obligations for professional services, including that of engineers, attorneys, and financial advisors in connection therewith, and to sell the same for cash as herein provided; and

WHEREAS, the Town is authorized to provide that such obligations will be payable from and secured by the levy of a direct and continuing ad valorem tax against all taxable property within the Town, in combination with all or a part of certain revenues of the Town's waterworks and sewer system (the "System") remaining after payment of any obligations of the Town payable in whole or in part from a lien on or pledge of such revenues that would be superior to the obligations to be authorized herein as authorized by Chapter 1502, Texas Government Code; and

WHEREAS, the City Council has found and determined that it is necessary and in the best interests of the Town and its citizens that it issue such certificates of obligation authorized by this Ordinance; and

WHEREAS, pursuant to a resolution heretofore passed by this governing body, notice of intention (the "Notice of Intention") to issue certificates of obligation of the Town payable as provided in this Ordinance was published in a newspaper of general circulation in the Town in accordance with the requirements of law, such certificates of obligation to be issued for the purpose of paying contractual obligations to be incurred for the purposes set forth in Section 3.01 hereof; and

WHEREAS, the Notice of Intention stated that the City Council intended to pass an ordinance authorizing the issuance of the Certificates at its regularly scheduled City Council meeting held on the date of adoption of this Ordinance; and

WHEREAS, no petition of any kind has been filed with the City Secretary, any member of the City Council or any other official of the Town, protesting the issuance of such certificates of obligation; and

WHEREAS, this City Council is now authorized and empowered to proceed with the issuance of said certificates of obligation and to sell the same for cash; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, THAT:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Certificate” means any of the Certificates.

“Certificate Date” means the date designated as the initial date of the Certificates by Section 3.02(a) of this Ordinance.

“Certificates” means the certificates of obligation authorized to be issued by Section 3.01 of this Ordinance and designated as “Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2013.

“Closing Date” means the date of the initial delivery of and payment for the Certificates.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings, and court decisions.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Dallas, Texas, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the Town and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

“Fiscal Year” means such fiscal year as shall from time to time be set by the City Council.

“Initial Certificate” means the initial certificate authorized by Section 3.04(d) of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 2.02 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Certificates is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year commencing February 15, 2014.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Revenues” means the gross revenues of the System less the expenses of operation and maintenance as said expenses are defined by Chapter 1502, Texas Government Code, as amended.

“Ordinance” means this Ordinance.

“Owner” means the person who is the registered owner of a Certificate or Certificates, as shown in the Register.

“Paying Agent/Registrar” means initially The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, or any successor thereto as provided in this Ordinance.

“Prior Lien Bonds” means any and all bonds or other obligations of the Town presently outstanding or that may be hereafter issued, payable from and secured by a first lien on and pledge of the Net Revenues or by a lien on and pledge of the Net Revenues subordinate to a first lien and pledge of such Net Revenues but superior to the lien and pledge of the Surplus Revenues made for the Certificates.

“Purchase Contract” means the purchase contract between the Town and the Underwriter approved in Section 7.01(b).

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representations Letter” means the Blanket Letter of Representations between the Town and DTC.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“SID” means any person designated by the State of Texas or an authorized department, officer or agency thereof, as and determined by the SEC or its staff to be a state information depository within the meaning of the Rule from time to time.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Surplus Revenues” means the revenues of the System remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with the Town’s Prior Lien Bonds; provided, however, that the amount of such Surplus Revenues pledged to the payment of the Certificates shall be limited to \$1,000.

“System” as used in this Ordinance means the Town’s waterworks and sewer system, including all present and future additions, extensions, replacements, and improvements thereto.

“Town” means the Town of Addison, Texas.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of, redemption premium, if any, or interest on the Certificates as the same come due and payable or money set aside for the payment of Certificates duly called for redemption prior to maturity.

“Underwriter” means, collectively, Stifel Nicolaus & Company, Incorporated, and BOSC, Inc.

Section 1.02. Findings.

The declarations, determinations, and findings declared, made, and found in the preamble to this Ordinance are hereby adopted, restated, and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles, and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE CERTIFICATES; INTEREST AND SINKING FUND

Section 2.01. Payment of the Certificates.

(a) Pursuant to the authority granted by the Texas Constitution and laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year thereafter while any of the Certificates or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the Town, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Certificates, being (i) the interest on the Certificates, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent per annum (whichever amount is the greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the Town most recently approved in accordance with law, and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Certificates when and as due and payable in accordance with their terms and this Ordinance.

(d) The amount of taxes to be provided annually for the payment of principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(i) The Town's annual budget shall reflect (i) the amount of debt service requirements to become due on the Certificates in the next succeeding Fiscal Year of the Town and (ii) the amount on deposit in the Interest and Sinking Fund, as of the date such budget is prepared (after giving effect to any payments required to be made during the remainder of the then current Fiscal Year), and (iii) the amount of Surplus Revenues estimated and budgeted to be available for the payment of such debt service requirements on the Certificates during the next succeeding Fiscal Year.

(ii) The amount required to be provided in the succeeding Fiscal Year of the Town from ad valorem taxes shall be the amount, if any, the debt service requirements to be paid on the Certificates in the next succeeding Fiscal Year of the Town exceeds the sum of (i) the amount shown to be on deposit in the Interest and Sinking Fund (after giving effect to any payments required to be made during the remainder of the then current Fiscal Year) at the time the annual budget is prepared, and (ii) the Surplus Revenues shown to be budgeted and available for payment of said debt service requirements.

(iii) Following the final approval of the annual budget of the Town, the governing body of the Town shall, by ordinance, levy an ad valorem tax at a rate sufficient to produce taxes in the amount determined in paragraph (ii) above, to be utilized for purposes of paying the principal of and interest on the Certificates in the next succeeding Fiscal Year of the Town.

(e) The Town hereby covenants and agrees that the Surplus Revenues are hereby irrevocably pledged equally and ratably to the payment of the principal of, redemption premium, if any, and interest on the Certificates, as the same become due.

(f) If the liens and provisions of this Ordinance shall be released in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Certificates, there shall be subtracted the amount of any Certificates that have been duly called for redemption and for which money has been deposited with the Paying Agent/Registrar for such redemption.

Section 2.02. Interest and Sinking Fund.

(a) The Town hereby establishes a special fund or account to be designated the "Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2013, Interest and Sinking Fund" (the "Interest and Sinking Fund") said fund to be maintained at an official depository bank of the Town separate and apart from all other funds and accounts of the Town.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Certificates when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE CERTIFICATES

Section 3.01. Authorization.

The Town's certificates of obligation to be designated "Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2013" (the "Certificates"), are

hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, specifically Subchapter C, Chapter 271, Texas Local Government Code, as amended, and Chapter 351, Texas Tax Code, as amended. The Certificates shall be issued in the aggregate principal amount of \$_____ for the following purposes, to wit: (i) (a) designing, acquiring, improving, constructing and renovating facilities and infrastructure at the Addison Municipal Airport and the acquisition and improvement of land and interests in land to provide improvements, additions and access to the airport, and (b) designing, acquiring, improving, constructing, and renovating City drainage and storm water infrastructure and facilities ((a) and (b) together, the "Project") and (ii) to pay professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates.

Section 3.02. Date, Denomination, Maturities, and Interest.

(a) The Certificates shall be dated July 15, 2013. The Certificates shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof and shall be numbered separately from one upward, except the Initial Certificate, which shall be numbered T-1.

(b) The Certificates shall mature on February 15 in the years and in the principal amounts set forth in the following schedule:

Serial Certificates

| <u>Years</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Years</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|--------------|-------------------------|----------------------|--------------|-------------------------|----------------------|
| 2014 | | | 2025 | | |
| 2015 | | | 2026 | | |
| 2016 | | | 2027 | | |
| 2017 | | | 2028 | | |
| 2018 | | | 2029 | | |
| 2019 | | | 2030 | | |
| 2020 | | | 2031 | | |
| 2021 | | | 2032 | | |
| 2022 | | | 2033 | | |
| 2023 | | | | | |
| 2024 | | | | | |

Term Certificates

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-------------------------|----------------------|
| 20__ | | |
| 20__ | | |

(c) Interest shall accrue and be paid on each Certificate respectively until its maturity or prior redemption from the later of the Certificate Date or the most recent interest payment date to which interest has been paid or provided for at the rates per annum for each maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable semiannually on February 15 and August 15 of each year commencing February 15, 2014, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method, and Place of Payment.

(a) The principal of, redemption premium, if any, and interest on the Certificates shall be paid in lawful money of the United States of America.

(b) Interest on the Certificates shall be payable to the Owners as shown in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Certificate appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest shall be paid by check, dated as of and mailed on the Interest Payment Date, and sent by the Paying Agent/Registrar to each Owner, first class United States mail, postage prepaid, to the address of each Owner as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, that the Owner shall bear all risk and expense of such alternative banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Certificates, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar.

(d) The principal of each Certificate shall be paid to the Owner thereof on the due date, whether at the maturity date or the date of prior redemption thereof upon presentation and surrender of such Certificate at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the paying Agent/Registrar is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed Payments shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owners of the Certificates to which the Unclaimed Payments pertain. Subject to Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment or payments on the Certificates thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Certificates, shall be paid to the Town to be used for any lawful purpose. Thereafter, neither the Town, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Certificates for any further payment of such unclaimed moneys or on account of any such Certificates, subject to Title 6 of the Texas Property Code.

Section 3.04. Execution and Registration of Certificates.

(a) The Certificates shall be executed on behalf of the Town by the Mayor and the City Secretary, by their manual or facsimile signatures, and the official seal of the Town shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the Town had been manually impressed upon each of the Certificates.

(b) In the event that any officer of the Town whose manual or facsimile signature appears on the Certificates ceases to be such officer before the authentication of such Certificates or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which Certificate shall be evidence that the Certificate has been duly approved by the Attorney General of the State of Texas, that it is a valid and binding obligation of the Town, and that it has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one initial Certificate (the "Initial Certificate") representing the entire principal amount of all Certificates, payable in stated installments to the initial purchaser, or its designee, executed by the Mayor and City Secretary of the Town, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of the initial purchaser one registered definitive Certificate for each year of maturity of the

Certificates in the aggregate principal amount of all Certificates for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.05. Ownership.

(a) The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment as herein provided (except interest shall be paid to the person in whose name such Certificate is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Certificate is overdue, and neither the Town nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Certificate shall be valid and effectual and shall discharge the liability of the Town and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

Section 3.06. Registration, Transfer, and Exchange.

(a) So long as any Certificates remain outstanding, the Town shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with this Ordinance.

(b) The ownership of a Certificate may be transferred only upon the presentation and surrender of the Certificate at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Certificate shall be effective until entered in the Register.

(c) The Certificates shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Certificate or Certificates of the same maturity and interest rate and in a denomination or denominations of any integral multiple of \$5,000, and in an aggregate principal amount equal to the unpaid principal amount of the Certificates presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Certificates exchanged for other Certificates in accordance with this Section.

(d) Each exchange Certificate delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such exchange Certificate is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Certificates. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Certificate.

(f) Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Certificate called for redemption, in whole or in part, within 45 calendar days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Certificate.

Section 3.07. Cancellation.

All Certificates paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance with this Ordinance, shall be canceled and proper records made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall then return such canceled Certificates to the Town or may in accordance with law dispose of such cancelled Certificates.

Section 3.08. Temporary Certificates.

(a) Following the delivery and registration of the Initial Certificate and pending the preparation of definitive Certificates, the proper officers of the Town may execute and, upon the Town's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Certificates that are printed, lithographed, typewritten, mimeographed, or otherwise produced, in any denomination, substantially of the tenor of the definitive Certificates in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions, and other variations as the officers of the Town executing such temporary Certificates may determine, as evidenced by their signing of such temporary Certificates.

(b) Until exchanged for Certificates in definitive form, such Certificates in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The Town, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Certificates in definitive form; thereupon, upon the presentation and surrender of the Certificate or Certificates in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Certificates in temporary form and shall authenticate and deliver in exchange therefor a Certificate or Certificates of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Certificate or Certificates in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Certificates.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Town or the Paying Agent/Registrar may require the Owner of such Certificate to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Certificate is lost, apparently destroyed or wrongfully taken, the Paying Agent/ Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction, or theft of such Certificate;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the Town harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the Town and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the Town and the Paying Agent/Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the Town or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed, or wrongfully taken Certificate has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Certificate, may pay such Certificate when it becomes due and payable.

(e) Each replacement Certificate delivered in accordance with this Section shall constitute an original additional contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

Section 3.10. Book-Entry-Only System.

(a) Notwithstanding any other provision hereof, upon initial issuance of the Certificates, the Certificates shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Certificates shall be initially issued in the form of a single separate certificate for each of the maturities thereof.

(b) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in

the Certificates. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute owner of such Certificate for the purpose of payment of principal of, premium, if any, and interest on Certificates, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Certificates only to or upon the order of the respective Owners as shown in the Register, as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the Town to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representations Letter previously executed and delivered by the Town, and applicable to the Town's obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Certificates.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System.

In the event that the Town or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representations Letter of the Town to DTC, and that it is in the best interest of the Town and the beneficial owners of the Certificates that they be able to obtain certificated Certificates, or in the event DTC discontinues the services described herein, the Town shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Certificates and cause the Paying Agent/Registrar to transfer one or more separate registered Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as the Certificates are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificates, and all notices with respect to such Certificates shall be made and given, respectively, in the manner provided in the Representations Letter of the Town to DTC.

ARTICLE IV

REDEMPTION OF CERTIFICATES BEFORE MATURITY

Section 4.01. Limitation on Redemption.

The Certificates shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption.

(a) The Town reserves the option to redeem Certificates maturing on and after February 15, 2024 in whole or any part, before their respective scheduled maturity dates, on February 15, 2023 or on any date thereafter, such redemption date or dates to be fixed by the Town, at a price equal to the principal amount of the Certificates called for redemption plus accrued interest to the date fixed for redemption.

(b) If less than all of the Certificates are to be redeemed pursuant to an optional redemption, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Certificates, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(c) The Town, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Certificates to be redeemed.

Section 4.03. Mandatory Sinking Fund Redemption

(a) The Certificates maturing on February 15, _____ and February 15, _____ (the "Term Certificates") are subject to scheduled mandatory redemption and will be redeemed by the Town, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth in the following schedule:

| <u>Term Certificates Maturing February 15,</u> | |
|--|-------------------------|
| <u>Redemption Date</u> | <u>Principal Amount</u> |
| February 15, 20__ | |
| February 15, 20__ (maturity) | |

Term Certificates Maturing February 15.

| <u>Redemption Date</u> | <u>Principal Amount</u> |
|--------------------------------|-------------------------|
| February 15, 20____ | |
| February 15, 20____ | |
| February 15, 20____ (maturity) | |

(b) At least forty-five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Certificates equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Certificates for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05.

(c) The principal amount of the Term Certificates required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the Town, by the principal amount of any Term Certificates which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the Town at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption.

(a) A portion of a single Certificate of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Certificate is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of the Certificate as though it were a single Certificate for purposes of selection for redemption.

(b) Upon surrender of any Certificate for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Certificate or Certificates in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered, such exchange being without charge.

(c) The Paying Agent/Registrar shall promptly notify the Town in writing of the principal amount to be redeemed of any Certificate as to which only a portion thereof is to be redeemed.

Section 4.05. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Certificates by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Certificate (or part thereof) to be redeemed, at

the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Certificates are to be surrendered for payment, and, if less than all the Certificates outstanding are to be redeemed, an identification of the Certificates or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the Town shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Certificates to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the Town and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Certificates being redeemed.

(b) Upon presentation and surrender of any Certificate called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Certificate to the date of redemption from the money set aside for such purpose.

Section 4.07. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.04 of this Ordinance, the Certificates or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the Town defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Certificates or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Certificates are presented and surrendered for payment on such date.

(b) If the Town shall fail to make provision for payment of all sums due on a redemption date, then any Certificate or portion thereof called for redemption shall continue to bear interest at the rate stated on the Certificate until due provision is made for the payment of same by the Town.

Section 4.08. Conditional Notice of Redemption.

The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such

other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional notice of redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Section 4.09. Lapse of Payment.

Money set aside for the redemption of Certificates and remaining unclaimed by the Owners of such Certificates shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, is hereby appointed as the initial Paying Agent/Registrar for the Certificates.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Certificates.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any of the Certificates are outstanding, the Town will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the Town and the Paying Agent/Registrar in substantially the form presented at this meeting, such form of agreement being hereby approved. The signature of the Mayor shall be attested by the City Secretary of the Town.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Town will promptly appoint a replacement.

Section 5.04. Termination.

The Town, upon not less than sixty (60) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section 5.05. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the Town will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address thereof in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Certificates to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE CERTIFICATES

Section 6.01. Form Generally.

(a) The Certificates, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Certificates, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Town or by the officers executing such Certificates, as evidenced by their execution thereof.

(b) Any portion of the text of any Certificates may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Certificates.

(c) The definitive Certificates, if any, shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or

produced in any other similar manner, all as determined by the officers executing such Certificates, as evidenced by their execution thereof.

(d) The Initial Certificate submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of the Certificates.

The form of the Certificates, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Certificates, shall be substantially as follows:

(a) Form of Certificate.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas
County of Dallas
TOWN OF ADDISON, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATE OF OBLIGATION
SERIES 2013

| | | | |
|-----------------------|-----------------------|--------------------|----------------------|
| <u>INTEREST RATE:</u> | <u>MATURITY DATE:</u> | <u>DATED DATE:</u> | <u>CUSIP NUMBER:</u> |
| _____ % | February 15, ____ | July 15, 2013 | _____ |

The Town of Addison (the "Town"), in the County of Dallas, State of Texas, for value received, hereby promises to pay to

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been provided for, and to pay interest on such principal amount from the later of Dated Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2014.

The principal of this Certificate shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this

Certificate at the designated office in Dallas, Texas, of The Bank of New York Mellon Trust Company, National Association, as Paying Agent/Registrar (the "Designated Payment/Transfer Office"), or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor Paying Agent/Registrar. Interest on this Certificate is payable by check dated as of the interest payment date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expenses of such customary banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Certificates, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Certificate, the registered owner shall be the person in whose name this Certificate is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which date shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

This Certificate is one of a series of fully registered certificates specified in the title hereof issued in the aggregate principal amount of \$_____ (herein referred to as the "Certificates"), issued pursuant to a certain ordinance of the Town (the "Ordinance") for the purpose of paying contractual obligations to be incurred for authorized public improvements (the "Project") as described in the Ordinance, and to pay the contractual obligations for professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates.

The Certificates and the interest thereon are payable from the levy of a direct and continuing ad valorem tax within the limits prescribed by law, against all taxable property in the Town and from a pledge of certain Surplus Revenues (not to exceed \$1,000) of the Town's waterworks and sewer system, all as described and provided for in the Ordinance.

The Town has reserved the option to redeem the Certificates maturing on or after February 15, 2024, in whole or in part, before their respective scheduled maturity dates, on February 15, 2023, or on any date thereafter, at a price equal to the principal amount of the Certificates so called for redemption plus accrued interest to the date fixed for redemption. If less than all of the Certificates are to be redeemed, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or other customary method that results in a random selection the Certificates, or portions thereof, within such maturity and in such principal amounts, for redemption.

Certificates maturing on February 15, 20__ and February 15, 20__ (the “Term Certificates”) are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the Town, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

| <u>Term Certificates Maturing February 15, 20__</u> | |
|---|-------------------------|
| <u>Redemption Date</u> | <u>Principal Amount</u> |
| February 15, 20__ | |
| February 15, 20__ (maturity) | |

| <u>Term Certificates Maturing February 15, 20__</u> | |
|---|-------------------------|
| <u>Redemption Date</u> | <u>Principal Amount</u> |
| February 15, 20__ | |
| February 15, 20__ | |
| February 15, 20__ (maturity) | |

The Paying Agent/Registrar will select by lot or by any other customary method that results in a random selection the specific Term Certificates (or with respect to Term Certificates having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Certificates required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the Town, by the principal amount of any Term Certificates which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the Town at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Certificates to be redeemed in whole or in part. Notice having been so given, the Certificates or portions thereof designated for redemption shall become due and payable on the

redemption date specified in such notice; from and after such date, notwithstanding that any of the Certificates or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Certificates or portions thereof shall cease to accrue.

The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Certificates subject to conditional notice of redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Certificate is transferable upon surrender of this Town for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Certificates of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Certificate called for redemption where such redemption is scheduled to occur within 45 calendar days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Certificate.

The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name this Certificate is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Certificate is registered on the Record Date, or the Special Record Date, as applicable) and for all other purposes, whether or not this Certificate be overdue, and neither the Town nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Certificate and the series of which it is a part is duly authorized by law; that all acts, conditions, and things to be done precedent to and in the issuance of the Certificates have been properly done and performed and have happened in regular and due time, form, and manner as required by law; that ad valorem taxes upon all taxable property in the Town have been levied for and pledged to the

payment of the debt service requirements of the Certificates within the limit prescribed by law; that, in addition to said taxes, further provisions have been made for the payment of the debt service requirements of the Certificates from a pledge of a limited amount of the Surplus Revenues, as described in the Ordinance, derived by the Town from the operation of the waterworks and sewer system in an amount limited to \$1,000, that when so collected, such taxes and Surplus Revenues shall be appropriated to such purposes; and that the total indebtedness of the Town, including the Certificates, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town has caused this Certificate to be executed by the manual or facsimile signature of the Mayor of the Town and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the Town has been duly impressed or placed in facsimile on this Certificate.

Mayor, Town of Addison, Texas

City Secretary,
Town of Addison, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate. The following Comptroller's Registration Certificate may be deleted from the definitive Certificates if such certificate on the Initial Certificate is fully executed.

| | | |
|---------------------------|---|--------------------|
| OFFICE OF THE COMPTROLLER | § | |
| OF PUBLIC ACCOUNTS | § | REGISTER NO. _____ |
| OF THE STATE OF TEXAS | § | |

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Certificate has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the Town of Addison, Texas; and that this Certificate has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from each Initial Certificate if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Certificates of this series of Certificates was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Certificates referred to in the within-mentioned Ordinance.

THE BANK OF NEW YORK MELLON
TRUST COMPANY,
NATIONAL ASSOCIATION,
as Paying Agent/Registrar

Dated: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Certificate and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The Signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The initial Certificate shall be in the form set forth in subsections (a) through (d) of this Section, except for the following alterations:

(i) immediately under the name of the Certificate, the headings "INTEREST RATE," and "MATURITY DATE" shall both be completed with the words "As Shown Below" and the words "CUSIP NO." shall be deleted;

(ii) in the first paragraph of the Certificate, the words "on the Maturity Date specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on the fifteenth day of February in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-------------------------|----------------------|
|-------------|-------------------------|----------------------|

(Information to be inserted from Section 3.02(c) hereof).

(iii) the Initial Certificate shall be numbered T-1.

Section 6.03. CUSIP Registration.

The Town may secure identification numbers through the CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Certificates shall be of no significance or effect in regard to the legality thereof and neither the Town nor the

attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Certificates.

Section 6.04. Legal Opinion.

The approving legal opinion of Bracewell & Giuliani L.L.P., Bond Counsel, may be attached to or printed on the reverse side of each Certificate over the certification of the City Secretary of the Town, which may be executed in facsimile.

Section 6.05. Statement Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Certificates, may be printed on each Certificate.

ARTICLE VII

SALE AND DELIVERY OF CERTIFICATES;
DEPOSIT OF PROCEEDS; FLOW OF FUNDS

Section 7.01. Sale of Certificates; Official Statement.

(a) The Certificates are hereby officially sold and shall be delivered to the Underwriter in accordance with the terms and provisions of that certain purchase contract (the "Purchase Contract") relating to the Certificates between the Town and the Underwriter, dated as of the date of adoption of this Ordinance. The form and content of such Purchase Contract are hereby approved, and the Mayor of the Town is hereby authorized and directed to execute and deliver such Purchase Contract and, along with all other officers, agents and representatives of the Town, to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Certificates. It is hereby found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Certificate shall initially be registered in the name of Stifel Nicolaus & Company, Incorporated, or its designee.

(b) The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, are hereby in all respects approved and adopted and is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Mayor and City Secretary are hereby authorized and directed to cause to be prepared a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Certificates, and to execute the same by manual or facsimile signature and deliver appropriate numbers of executed copies thereof to the Underwriter. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor and the Underwriter, may be used by the Underwriter in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Certificates by the Underwriter, is hereby ratified, approved and confirmed.

(c) All officers of the Town are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Certificates in accordance with the terms of sale therefor including, without limitation, the Purchase Contract. Further, in connection with the submission of the record of proceedings for the Certificates to the Attorney General of the State of Texas for examination and approval of such Certificates, the appropriate officer of the Town is hereby authorized and directed to issue a check of the Town payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount per series to be the lesser of (i) 1/10th of 1% of the principal amount of such series of the Certificates or (ii) \$9,500.)

(d) The obligation of the Underwriter to accept delivery of the Certificates is subject to the Underwriter being furnished with the final, approving opinion of Bracewell & Giuliani LLP, bond counsel for the Town, which opinion shall be dated and delivered the Closing Date.

Section 7.02. Control and Delivery of Certificates.

(a) The Mayor of the Town is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Certificates shall be made to the Underwriter or a representative thereof under and subject to the general supervision and direction of the Mayor, against receipt by the Town of all amounts due to the Town under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

Section 7.03. Deposit of Proceeds.

(a) First: All amounts received on the Closing Date as accrued interest on the Certificates from the Certificate Date to the Closing Date shall be deposited to the Interest and Sinking Fund.

(a) Second: The remaining balance received on the Closing Date, shall be deposited to a special account of the Town, such moneys to be dedicated and used solely for the purposes for which the Certificates are being issued as herein provided in Section 3.01. To the extent any of such amount is not used for such purposes, such excess shall be deposited to the Interest and Sinking Fund.

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance, at the option of the Town, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which such money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.02. Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund be credited to such fund.

(b) Interest and income derived from investment of the funds to be deposited pursuant to Section 7.03(b) hereof shall be credited to the account where deposited until the acquisition or construction of said projects is completed and thereafter, to the extent such interest and income are present, such interest and income shall be deposited to the Interest and Sinking Fund.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Certificates.

On or before each Interest Payment Date for the Certificates and while any of the Certificates are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of, redemption premium, if any, and interest on the Certificates as will accrue or mature on the applicable Interest Payment Date, maturity date and, if applicable, on a date of prior redemption.

Section 9.02. Other Representations and Covenants.

(a) The Town will faithfully perform, at all times, any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Certificate; the Town will promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on each Certificate on the dates and at the places and manner prescribed in such Certificate; and the Town will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The Town is duly authorized under the laws of the State of Texas to issue the Certificates; all action on its part for the creation and issuance of the Certificates has been duly

and effectively taken; and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the Town in accordance with their terms.

Section 9.03. Provisions Concerning Federal Income Tax Exclusion.

The Town intends that the interest on the Certificates shall be excludable from gross income for federal income taxation pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”) and the applicable regulations promulgated thereunder (the “Regulations”). The Town covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Certificates to be includable in gross income, as defined in section 61 of the Code of the holders thereof for purposes of federal income taxation. In particular, the Town covenants and agrees to comply with each requirement of Sections 9.03 through 9.10, inclusive; provided, however, that the Town shall not be required to comply with any particular requirement of this Sections 9.03 through 9.10 of the holders thereof for purposes of federal income taxation, if the Town has received an opinion of nationally recognized bond counsel (“Counsel’s Opinion”) that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Certificates or if the Town has received a Counsel’s Opinion to the effect that compliance with some other requirement set forth in this Sections 9.03 through 9.10, inclusive, will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel’s Opinion shall constitute compliance with the corresponding requirement specified in Sections 9.03 through 9.10, inclusive.

Section 9.04. No Private Use or Payment and No Private Loan Financing.

The Town shall certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Certificates are delivered, that the proceeds of the Certificates will not be used in a manner that would cause the Certificates to be “private activity bonds” within the meaning of section 141 of the Code and the Regulations. The Town covenants and agrees that it will make such use of the proceeds of the Certificates, including interest or other investment income derived from Certificate proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Certificates will not be “private activity bonds” within the meaning of section 141 of the Code and the Regulations.

Section 9.05. No Federal Guaranty.

The Town covenants and agrees not to take any action, or knowingly omit to take any action, and has not knowingly omitted and will not knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Certificates to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b)(3) of the Code and the Regulations.

Section 9.06. Certificates are not Hedge Certificates.

The Town covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Certificates to be “hedge bonds” within the meaning of section 149(g) of the Code and the Regulations.

Section 9.07. No-Arbitrage Covenant.

The Town shall certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Certificates are delivered, the Town will reasonably expect that the proceeds of the Certificates will not be used in a manner that would cause the Certificates to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations. Moreover, the Town covenants and agrees that it will make such use of the proceeds of the Certificates, including interest or other investment income derived from Certificate proceeds, regulate investments of proceeds of the Certificates, and take such other and further action as may be required so that the Certificates will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations.

Section 9.08. Arbitrage Rebate.

If the Town does not qualify for an exception to the requirements of Section 148(f) of the Code, the Town will take all necessary steps to comply with the requirement that certain amounts earned by the Town on the investment of the “gross proceeds” of the Certificates (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the Town will (i) maintain records regarding the investment of the gross proceeds of the Certificates as may be required to calculate the amount earned on the investment of the gross proceeds of the Certificates separately from records of amounts on deposit in the funds and accounts of the Town allocable to other issues of the Town or moneys which do not represent gross proceeds of any issues of the Town, (ii) calculate at such times as are required by the Regulations the amount earned from the investment of the gross proceeds of the Certificates which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Certificates or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the Town will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Certificates that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

Section 9.09. Information Reporting.

The Town covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar

quarter in which the Certificates are issued, an information statement concerning the Certificates, all under and in accordance with section 149(e) of the Code and the Regulations.

Section 9.10. Continuing Obligation.

Notwithstanding any other provision of this Ordinance, the Town's obligations under the covenants and provisions of Sections 9.03 through 9.09, inclusive, shall survive the defeasance and discharge of the Certificates.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

- (i) the failure to make payment of the principal of, redemption premium, if any, or interest on any of the Certificates when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement, or obligation of the Town, which default materially and adversely affects the rights of the Owners, including but not limited to their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the Town.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under this Ordinance by mandamus or other suit, action or special proceeding in equity or at law in any court of competent jurisdiction for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Certificates then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the

right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge.

The Certificates may be defeased, discharged or refunded in any manner permitted by applicable law.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports.

(i) The Town shall provide annually to the MSRB, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the Town of the general type included in the final Official Statement, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit A hereto, and (ii) audited, if the Town commissions an audit of such statements and the audit is completed within the period during which they must be provided, and (iii) submitted through the EMMA, in an electronic format with accompanying identifying information, as prescribed by the MSRB. If the audit of such financial statements is not complete within such period, then the Town shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to the MSRB. The Town shall provide audited financial statements for the applicable fiscal year to the MSRB when and if audited financial statements become available.

(ii) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(iii) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific referenced to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 12.02. Material Event Notices.

(a) The Town shall notify the MSRB, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, of any of the following events with respect to the Certificates:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (vii) Modifications to rights of holders of the Certificates, if material;
- (viii) Certificate calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Town;¹
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

¹ For the purposes of the event identified in (xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

(b) The Town shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the Town to provide required annual financial information and notices of material events in accordance with Sections 12.01 and 12.02. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 12.03. Limitations, Disclaimers and Amendments.

(a) The Town shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Town remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the Town in any event will give notice of any redemption calls and any defeasances that cause the Town to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Certificates, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the Town in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(e) The provisions of this Article may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (B) an entity or individual person that is unaffiliated with the Town (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Certificates. If the Town so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of financial information or operating data so provide.

ARTICLE XIII

EFFECTIVENESS

Section 13.01. Effectiveness.

This Ordinance shall take effect immediately from and after its passage.

APPROVED AND ADOPTED this July 15, 2013.

Mayor, Town of Addison, Texas

ATTEST:

City Secretary, Town of Addison, Texas

APPROVED AS TO FORM:

By: _____
City Attorney, Town of Addison, Texas

EXHIBIT A

DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

The following information is referred to in Article XII of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Town to be provided annually in accordance with such Section are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The portions of the financial statements of the Town appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. Statistical and financial data set forth in Tables 1 through 6, and 8 through 15.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

Council Agenda Item: #R5

AGENDA CAPTION:

DISCUSSION AND TAKE ACTION REGARDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2013A (AMT); LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

FINANCIAL IMPACT:

Authorizes the Town of Addison to issue approximately \$1,875,000 of General Obligation Bonds, Series 2013A (AMT).

BACKGROUND:

AUTHORITY FOR ISSUANCE . . . The AMT Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1331, Texas Government Code, as amended, Section 5.11 of the Town's Home Rule Charter, and an election held within the Town on May 12, 2012 (the "Election") and are direct obligations of the Town of Addison, Texas (the "Town"), payable from a continuing ad valorem tax levied annually on all taxable property within the Town, within the limits prescribed by law, as provided in the ordinance authorizing the issuance of the AMT Bonds.

PURPOSE . . . Proceeds from the sale of the AMT Bonds will be used to provide funds to: (i) acquire and improve of land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (ii) to pay the costs of issuing the AMT Bonds.

RECOMMENDATION:

Administration recommends approval.

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Infrastructure improvement and maintenance, Implement bond propositions

ATTACHMENTS:

Description:

 [Ordinance authorizing, Series 2013A \(AMT\)](#)

Type:

Ordinance

BOND ORDINANCE

\$ _____

TOWN OF ADDISON, TEXAS
GENERAL OBLIGATION BONDS
SERIES 2013A (AMT)

Dated: July 15, 2013

Adopted: July ____, 2013

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, \$_____ GENERAL OBLIGATION BONDS, SERIES 2013A (AMT); LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT; AND ENACTING OTHER PROVISIONS RELATING THERETO

WHEREAS, by this Ordinance, the Town Council of the Town of Addison, Texas (the “Town”), is authorizing the issuance of a series of general obligation bonds; and

WHEREAS, the bonds hereinafter authorized were duly and favorably voted, as required by the Constitution and laws of the State of Texas, at an election held in the Town on May 12, 2012; and

WHEREAS, at said election, the following are among the purposes and amounts of the bonds which were authorized, reflecting any amount previously issued pursuant to each voted authorization, the amount therefrom being issued pursuant to this Ordinance, and the balance that remains unissued after the issuance of such bonds herein authorized, to wit:

| <u>Purpose</u> | <u>Amount Voted</u> | <u>Amount Previously Issued</u> | <u>Amount Being Issued</u> | <u>Unissued Balance</u> |
|----------------------------|-------------------------|---|--------------------------------|-----------------------------|
| <u>2012 Election</u> | | | | |
| Street Utilities | 29,500,000 | \$3,500,000 | \$ -0- | \$26,000,000 |
| Road Utilities/Streetscape | 10,000,000 | -0- | _____ | 10,000,000 |
| Airport Improvements | 7,000,000 | -0- | _____ | 7,000,000 |
| Parking Facilities | 3,000,000 | -0- | -0- | 3,000,000 |
| Total | <u>\$ 49,500,000</u> | <u>\$ 3,500,000</u> | <u>\$ _____</u> | <u>\$ 46,000,000</u> |

WHEREAS, the City Council hereby finds, determines and declares that it is necessary and in the best interest of the Town and its citizens that it authorize by this Ordinance the issuance and delivery of its bonds for the purposes herein stated at this time, all in a single issue; and

WHEREAS, the City Council hereby finds, determines and declares that it is necessary and in the best interest of the Town and its citizens that it authorize by this Ordinance the issuance and delivery of its bonds for the purposes herein stated at this time, all in a single issue; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Bond” means any of the Bonds.

“Bond Date” means the date designated as the initial date of the Bonds by Section 3.02(a) of this Ordinance.

“Bond Purchase Contract” means the bond purchase contract described in Section 7.01(b) of this Ordinance.

“Bonds” means the Town’s bonds authorized to be issued by Section 3.01 of this Ordinance and designated as “Town of Addison, Texas, General Obligation Bonds, Series 2013A (AMT).”

“Town” means the Town of Addison, Texas.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Ordinance, the Designated Payment/Transfer Office as designated in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the Town and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

“Initial Bond” means the Initial Bond authorized by Section 3.04 of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 2.02 of this Ordinance.

“Interest Payment Date” means the date or dates on which interest on the Bonds is scheduled to be paid until their respective dates of maturity, such dates being February 15 and August 15 of each year, commencing on February 15, 2014.

“MSRB” means the Municipal Securities Rulemaking Board.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means initially The Bank of New York Mellon Trust Company, National Association, or any successor thereto as provided in this Ordinance.

“Project” means the purposes for which the Bonds are issued as described in Section 3.01(a).

“Record Date” means the last business day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representation Letter” means the Blanket Letter of Representations between the Town and DTC.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Bonds as the same come due and payable and remaining unclaimed by the Owners of such Bonds after the applicable payment date.

“Underwriter” means, collectively, Stifel Nicolaus & Company, Incorporated, and BOSC, Inc.

Section 1.02. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section 2.01. Tax Levy.

(a) Pursuant to the authority granted by the Texas Constitution and the laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the Town, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent (2%) per annum (whichever amount is greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the Town most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(d) If the lien and provisions of this Ordinance shall be released in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit.

Section 2.02. Interest and Sinking Fund.

(a) The Town hereby establishes a special fund or account to be designated the “Town of Addison, Texas, General Obligation Bonds, Series 2013A (AMT), Interest and Sinking Fund,” said fund to be maintained at an official depository bank of the Town separate and apart from all other funds and accounts of the Town.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS
REGARDING THE BONDS

Section 3.01. Authorization.

The Town’s bonds, to be designated “Town of Addison, Texas, General Obligation Bonds, Series 2013A,” are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, and Section 5.11 of the Charter of the Town. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purposes of (a) providing funds to acquire and improve land and interest in land to provide improvements, additions and access to the Addison Municipal Airport; and (b) to pay the costs of issuing the Bonds.

Section 3.02. Date, Denomination, Maturities and Interest.

(a) The Bonds shall be dated July 15, 2013. The Bonds shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years and in the principal amounts set forth in the following schedule:

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-----------------------------|----------------------|-------------|-----------------------------|----------------------|
| 2014 | | | 2024 | | |
| 2015 | | | 2025 | | |
| 2016 | | | 2026 | | |
| 2017 | | | 2027 | | |
| 2018 | | | 2028 | | |
| 2019 | | | 2029 | | |
| 2020 | | | 2030 | | |
| 2021 | | | 2031 | | |
| 2022 | | | 2032 | | |
| 2023 | | | 2033 | | |

(c) Interest shall accrue and be paid on each Bond respectively until its maturity, from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable on each Interest Payment Date until maturity. Interest on the Bonds shall be calculated on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to each Owner as shown in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by first-class United States mail, postage prepaid, to the address of each Owner of a Bond appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

(c) Interest shall be paid by check, dated as of the Interest Payment Date, and sent by the Paying Agent/Registrar to each Owner by United States mail, first-class postage prepaid, to the address of each Owner as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar.

(d) The principal of each Bond shall be paid to the Owner thereof on the due date upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed Payments shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the accounts of the Owners of the Bonds to

which the Unclaimed Payments pertain. Subject to Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the Town to be used for any lawful purpose. Thereafter, neither the Town, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed monies or on account of any such Bonds, subject to Title 6 of the Texas Property Code.

Section 3.04. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the Town by the Mayor and the City Secretary, by their manual or facsimile signatures, and the official seal of the Town shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Town had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the Town whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which Certificate shall be evidence that the Bond has been duly approved by the Attorney General of the State of Texas, that it is a valid and binding obligation of the Town and that it has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds payable in stated installments to the Underwriter, or its designee, executed by the Mayor and City Secretary of the Town by their manual or facsimile signatures, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Underwriter or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver a single registered, definitive Bond for each maturity, in the aggregate principal amount thereof, to DTC on behalf of the Underwriter.

Section 3.05. Ownership.

(a) The Town, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the Town nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the Town and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the Town shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

Section 3.07. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled and proper

records shall be made regarding such payment, exchange or replacement. The Paying Agent/Registrar shall then return such cancelled Bonds to the Town or may in accordance with law destroy such cancelled Bonds and periodically furnish the Town with certificates of destruction of such Bonds.

Section 3.08. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the Town may execute and, upon the Town's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the Town executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The Town, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and shall authenticate and deliver in exchange therefor Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Town or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the Town harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the Town and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the Town and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Town or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.10. Book-Entry Only System.

Notwithstanding any other provision hereof, upon initial issuance of the Bonds, the ownership of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Bonds shall be initially issued in the form of a single separate fully registered certificate for each of the maturities thereof.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever.

The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the Town to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

The Representation Letter previously executed and delivered by the Town, and applicable to the Town's obligations delivered in book-entry-only form to DTC as securities depository is hereby ratified and approved for the Bonds.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the Town or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representations Letter of the Town to DTC, or in the event DTC discontinues the services described herein, the Town or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION PROVISIONS

Section 4.01. Optional Redemption.

The Bonds maturing on or after February 15, 2024 are subject to redemption at the option of the Town on February 15, 2023 or on any date thereafter, in whole or in part, at a redemption price of par plus accrued interest to the date of redemption.

(a) The Town, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section 4.02. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of a Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge, notwithstanding any provision of Section 3.06 to the contrary.

(d) The Paying Agent/Registrar shall promptly notify the Town in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.03. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown in the Register on the Business Day next preceding the date of mailing of such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.04. Payment Upon Redemption.

(a) Before or on each redemption date, the Town shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the Town and shall use such funds solely for the

purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.05. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.04 of this Ordinance, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the Town fails to make payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the Town shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by the Town.

Section 4.06. Conditional Notice of Redemption.

(a) The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

The Bank of New York Mellon Trust Company, National Association, is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the Town will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the Town and the Paying Agent/Registrar. The signature of the Mayor shall be attested by the City Secretary of the Town. The form of the Paying Agent/Registrar Agreement presented at this meeting is hereby approved with such changes as may be approved by bond counsel to the Town.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Town will promptly appoint a replacement.

Section 5.04. Termination.

The Town, upon not less than sixty (60) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section 5.05. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the Town will cause notice of the change to be sent to each Owner by United States mail, first-class postage prepaid, at the address in the Register thereof, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association (“CUSIP Numbers”)) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Town or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of the Bonds.

The form of the Bond, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bond.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas
TOWN OF ADDISON, TEXAS
GENERAL OBLIGATION BOND
SERIES 2013A (AMT)

INTEREST RATE: _____% MATURITY DATE: _____, _____ BOND DATE: July 15, 2013 CUSIP NUMBER: _____

The Town of Addison (the "Town"), in the County of Dallas, State of Texas, for value received, hereby promises to pay to

_____ or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

and to pay interest on such principal amount from the later of the Bond Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2014. All capitalized terms used herein but not defined shall have the meaning assigned to them in the Ordinance (defined below).

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "Designated Payment/Transfer Office") of The Bank of New York Mellon Trust Company, National Association, as Paying Agent/Registrar or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office thereof. Interest on this Bond is payable by check dated as of the interest payment date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expense of such other banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and

for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by first-class United States mail, postage prepaid, to the address of each owner of a Bond appearing in the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

This Bond is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$ _____ (herein referred to as the "Bonds"), issued pursuant to a certain ordinance of the Town (the "Ordinance") for the purpose of providing funds to make certain permanent public improvements as described in the Ordinance, to refund certain outstanding obligations of the Town and to pay the costs of issuing the Bonds.

The Bonds maturing on and after February 15, 2024 are subject to redemption at the option of the Town on February 15, 2023 or on any date thereafter at a price of par plus interest accrued to the date of redemption. If less than all of the Bonds are to be redeemed pursuant to an optional redemption, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; and, from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying

Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to a conditional notice of redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional notice of redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond is overdue, and neither the Town nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the Town have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law; and that the total indebtedness of the Town, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the Town and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the Town has been duly impressed or placed in facsimile on this Bond.

Mayor, Town of Addison, Texas

City Secretary,
Town of Addison, Texas
[SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

| | | |
|---------------------------|---|--------------------|
| OFFICE OF THE COMPTROLLER | § | |
| OF PUBLIC ACCOUNTS | § | REGISTER NO. _____ |
| OF THE STATE OF TEXAS | § | |

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the Town of Addison, Texas, and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

[SEAL]

Comptroller of Public Accounts
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within mentioned Ordinance.

The Bank of New York Mellon Trust Company,
National Association
as Paying Agent/Registrar

Dated: _____ By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the words "CUSIP NUMBER" shall be deleted and the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below"; and

(ii) in the first paragraph of the Bond, the words “on the Maturity Date specified above” shall be deleted and the following will be inserted: “on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates in accordance with the following schedule:

| <u>Years</u> | <u>Principal Installments</u> | <u>Interest Rate</u> |
|--------------|-------------------------------|----------------------|
|--------------|-------------------------------|----------------------|

(Information to be inserted from Section 3.02 of this Ordinance)

Section 6.03. CUSIP Registration.

The Town may secure identification numbers through CUSIP Global Services, managed by Standard & Poor’s Financial Services LLC on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP Numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Town nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP Numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion.

The approving legal opinion of Bracewell & Giuliani LLP, Bond Counsel, may be attached to or printed on the reverse side of each Bond over the certification of the City Secretary of the Town, which may be executed in facsimile.

Section 6.05. Statement of Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds may be printed on or attached to each Bond.

ARTICLE VII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds; Official Statement.

(a) The Bonds are hereby officially sold and shall be delivered to the Underwriter in accordance with the terms and provisions of that certain bond purchase contract (the “Bond Purchase Contract”) relating to the Bonds between the Town and the Underwriter, dated as of the date of adoption of this Ordinance. The form and content of such Bond Purchase Contract are hereby approved, and the Mayor of the Town is hereby authorized and directed to execute and deliver such Bond Purchase Contract and, along with all other officers, agents and representatives of the Town, to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. It is hereby found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Bond shall initially be registered in the name of Stifel Nicolaus & Company, Incorporated, or its designee.

(b) The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, are hereby in all respects approved and adopted and is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Mayor and City Secretary are hereby authorized and directed to cause to be prepared a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Bonds, and to execute the same by manual or facsimile signature and deliver appropriate numbers of executed copies thereof to the Underwriter. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor and the Underwriter, may be used by the Underwriter in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Bonds by the Underwriter, is hereby ratified, approved and confirmed.

(c) All officers of the Town are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefor including, without limitation, the Bond Purchase Contract. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the Town is hereby authorized and directed to issue a check of the Town payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount per series to be the lesser of (i) 1/10th of 1% of the principal amount of such series of the Bonds or (ii) \$9,500.)

(d) The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of Bracewell & Giuliani LLP, bond counsel for the Town, which opinion shall be dated and delivered the Closing Date.

Section 7.02. Control and Delivery of Bonds.

(a) The Mayor of the Town is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Underwriter thereof under and subject to the general supervision and direction of the Mayor, against receipt by the Town of all amounts due to the Town under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary shall for

the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

Section 7.03. Deposit of Proceeds.

(a) First: All amounts received on the Closing Date as accrued interest on the Bonds from the Bond Date to the Closing Date shall be deposited to the Interest and Sinking Fund.

(b) Second: Proceeds of the Bonds in the amount of \$_____ (including premium allocated to the 2012 bond authorization in the amount of \$_____) shall be deposited to a special fund of the Town and such moneys shall be used for the purposes described in Section 3.01(i) herein.

(c) Third: Premium in the amount of \$_____ shall be deposited to a special account of the Town, such moneys to be dedicated and used to pay the costs of issuing the Bonds, including allocation to underwriter's discount. To the extent any of such amount is not used for such purposes, such excess shall be deposited to the Interest and Sinking Fund.

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance and accounts provided for in Section 7.03(c), at the Town's option, may be invested in such securities or obligations as permitted under applicable law. The Town's City Manager, Financial Services Manager, and any other officer of the Town authorized to make investments on behalf of the Town, are hereby authorized and directed to execute and deliver, on behalf of the Town, any and all investment agreements, guaranteed investment contracts or repurchase agreements in connection with the investment of moneys on deposit in the Interest and Sinking Fund and the accounts provided for in Section 7.03(c), but only to the extent such investment agreements, guaranteed investment contracts or repurchase agreements are authorized investments under applicable law.

(b) Any securities or obligations in which money in the Interest and Sinking Fund is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.02. Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such fund.

(b) Interest and income derived from the investment of the funds deposited pursuant to Section 7.03(c) hereof shall be credited to the fund or account where deposited until the costs

and expenses pertaining to the issuance of the Bonds are paid or shall be transferred to the Interest and Sinking Fund as shall be determined by the City Council.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds.

On or before each Interest Payment Date and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of the Bonds as will accrue or mature on the applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants.

(a) The Town will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance; the Town will promptly pay or cause to be paid the principal of and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the Town will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The Town is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Town in accordance with their terms.

Section 9.03. Federal Income Tax Exclusion.

(a) General Tax Covenant. The Town intends that the interest on the Bonds will be excludable from gross income for purposes of federal income taxation pursuant to sections 103, 141, 142 and 147 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury Regulations (the "Regulations"). The Town covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, for purposes of federal income taxation. In particular, the Town covenants and agrees to comply with each requirement of this Section 9.03; provided, however, that the Town will not be required to comply with any particular requirement of this Section 9.03 if the Town has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance does not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or (ii) compliance with some other requirement set forth in this Section 9.03 will satisfy the applicable requirements of the Code or the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion will constitute compliance with the corresponding requirement specified in this Section 9.03.

(b) Use of Proceeds. The Town covenants and agrees that its use of the Net Proceeds of the Bonds will satisfy the following requirements:

(i) At least 95 percent of the Net Proceeds of the Bonds actually expended and will be expended for costs that (A) are paid and incurred after the issue date of the Bonds; (B) are properly chargeable for federal income tax purposes to the capital account of the Project financed or refinanced with the Net Proceeds of the Bonds, or would be so chargeable either with a proper election or but for a proper election to deduct such amounts; and (C) are incurred to provide “airport facilities,” which may include both an “airport” (within the meaning of section 142 of the Code) and property that is functionally related and subordinate thereto (within the meanings of sections 1.103-8(a)(3) and 1.103-8(e)(2)(ii) of the Regulations). For purposes of this requirement a storage or training facility shall be an “airport facility” only if such facility is directly related to the airport. In addition, an “office” shall be considered an “airport facility” only if such office is located on the premises of an airport and all but a de minimis amount of the functions to be performed at such office are directly related to the day-to-day operations at such airport.

(ii) All of the property financed or refinanced with the Net Proceeds of the Bonds will be owned by the Town. Any leases, management contracts or similar operating or use agreements entered into with any person with respect to all or any portion of the Project financed or refinanced with Net Proceeds of the Bonds will comply with the requirements of section 142(b)(1)(B)(i)-(iii) of the Code and the applicable Regulations thereunder.

(iii) The Project financed with Net Proceeds of the Bonds will not include (i) any lodging facilities, (ii) any retail facilities (including food and beverage facilities) in excess of the size necessary to serve passengers and employees at the airport, (iii) any retail facility (other than parking) for passengers or the general public located outside of an airport terminal, (iv) any office building for individuals who are not employees of the Town, or (v) any industrial park or manufacturing facility.

(iv) The Project financed with Net Proceeds of the Bonds will not include any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(v) Except as provided in the last sentence of this clause (v), not more than 25 percent of the Net Proceeds of the Bonds actually expended will be used, directly or indirectly, for the acquisition of land or an interest therein. Notwithstanding the immediately preceding sentence no portion of the Net Proceeds of the Bonds will be used, directly or indirectly, for the acquisition of land or an interest therein to be used for farming purposes. For purposes of this requirement, land acquired for noise abatement purposes or for future use as an airport shall not be taken into account, if there is no significant other use of such land.

(vi) No portion of the Net Proceeds of the Bonds will be used for the acquisition of any existing property or an interest therein unless (i) the first use of such property is pursuant to such acquisition or (ii) the rehabilitation expenditures with respect to any building and the equipment therefor equal or exceed 15 percent of the cost of acquiring such building financed with the proceeds of the Bonds (with respect to structures other than buildings, this clause shall be applied by substituting 100 percent for 15 percent). For purposes of the preceding sentence, the term “rehabilitation expenditures” shall have the meaning set forth in section 147(d)(3) of the Code.

(vii) All of the Net Proceeds of the Bonds will be used to (i) finance the Project and (ii) pay the issuance costs and accrued interest on the Bonds.

(viii) If the Net Proceeds of the Bonds are used in a manner not in accordance with the covenants set forth in subsections (i) through (iii) of this Section 9.03(b), or if an action is taken that causes all or any portion of the Project financed or refinanced with the Net Proceeds of the Bonds to be used in a manner not in accordance with the covenants set forth in subsections (i) through (iii) of this Section 9.03(b), the amount of Net Proceeds so improperly used shall be identified and used as described in paragraph (x) below or, if applicable, paragraph (xi) below.

(ix) For purposes of this section, the “Nonqualified Bonds” are a portion of the outstanding Bonds in an amount that, if the remaining Bonds were issued on the date on which the failure to properly use the Net Proceeds occurs, at least 95 percent of the Net Proceeds of the remaining Bonds would be used to pay or reimburse costs that satisfy the requirements of paragraphs (i) through (iii) above. The Nonqualified Bonds will be determined on an allocation basis that satisfies the requirements of section 1.142-2(e) of the Regulations.

(x) The requirements of this paragraph (x) are met if all of the Nonqualified Bonds are redeemed on the earliest call date after the date on which the failure to properly use the proceeds occurs. Proceeds of the Bonds shall not be used for this purpose. If the Bonds are not redeemed within 90 days of the date on which the failure to properly use proceeds occurs, a defeasance escrow (as defined in section 1.141-12(d)(5) of the Regulations) shall be established for those Bonds within 90 days of that date. The Town will provide written notice to the Commissioner of Internal Revenue of the establishment of the defeasance escrow within 90 days of the date the escrow is established.

(xi) If the failure to properly use proceeds is a disposition of personal property exclusively for cash, the requirements of this paragraph (xi) are met if the disposition proceeds are expended within 6 months of the date of the disposition to acquire replacement property for the same qualifying purpose of the Bonds. For purposes of this paragraph (xi) disposition proceeds means disposition proceeds as defined in section 1.141-12(c) of the Regulations.

When used in Section 9.03(b), the term Net Proceeds of the Bonds means the proceeds from the sale of the Bonds including investment earnings on such proceeds, less accrued interest.

(c) No Federal Guarantee. The Town covenants and agrees that it has not and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code and the applicable Regulations thereunder, except as permitted by section 149(b)(3) of the Code and such Regulations.

(d) No Hedge Bonds. The Town covenants and agrees that it has not and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code and the applicable Regulations thereunder.

(e) No Arbitrage. The Town will certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Bonds will not be used in a manner that would cause any issue of the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder. Moreover, the Town covenants and agrees that it will make such use of the proceeds of the Bonds including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that any issue of the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder.

(f) Arbitrage Rebate. If the Town does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the Town will take all necessary steps to comply with the requirement that certain amounts earned by the Town on the investment of the “gross proceeds” of each issue of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the Town will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the Town allocable to other bond issues of the Town or moneys that do not represent gross proceeds of any bonds of the Town, (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of each issue of the Bonds that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of each issue of the Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the Town will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The Town covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which each issue of the Bonds are issued, an information statement concerning each issue of the Bonds, all under and in accordance with section 149(e) of the Code and the applicable Regulations promulgated thereunder.

(h) Limitation on Maturity. The Town covenants and agrees that the average maturity of the Bonds, taking into account the issue price of the various maturities of the Bonds, will not exceed 120 percent of the reasonably expected economic life of the assets financed by the Bonds, taking into account the respective cost of each item composing the Project financed or refinanced with the Bonds. For purposes of the preceding sentence, the reasonably expected economic life of such Project shall be determined as of the later of (i) the date on which the Bonds were issued or (ii) the date on which any component of such Project was placed in service (or expected to be placed in service). In addition, land shall not be taken into account in determining the reasonably expected economic life of such Project, except that in the event 25 percent or more of the proceeds of the Bonds is expended for land, such land shall be treated as having an economic life of 30 years and shall be taken into account for purposes of determining the reasonably expected economic life of the Project.

(i) Costs of Issuance. The Town covenants and agrees that the costs of issuance (within the meaning of section 147(g) of the Code and applicable regulations thereunder) financed with the proceeds of the Bonds will not exceed 2 percent of the proceeds from the sale of the Bonds.

(j) Public Approval. It is found, determined and declared that, with respect to the Bonds, a sufficient written notice or notices of the date, hour, place and subject of the public hearing or hearings to be conducted by the Town will be published no less than 14 days before the date of each said hearing in a newspaper of general circulation available to residents of the Town and the hearing or hearings will be conducted in a manner that provides a reasonable opportunity for persons with differing views on the issuance of the Bonds to be heard, all as required by section 147(f) of the Code and the applicable Regulations thereunder. The Mayor Julie Partain or Robert Collins, individually and separately, or their respective designee are hereby appointed as a Hearing Officer for one or more public hearings required by this Section and, based on the Hearing Officer's report on such hearing, the Mayor is hereby authorized to execute a certificate with respect to each such hearing, as necessary, of the kind required by such Section 147(f) of the Code with respect to the Bonds and the Project to be financed or refinanced with the Bonds. All actions taken by the Town, its officers and its employees with respect to the publication of the notice or notices of such public hearings and the conducting of such public hearings are hereby authorized, approved and ratified.

(k) Deliberate Actions. The Town will not take a deliberate action that causes the Bonds to fail to meet any requirement of the Code regarding the use of bond proceeds after the Issuance Date of the Bonds unless an appropriate remedial action is permitted by section 1.142-2(e) of the Regulations and a Counsel's Opinion is obtained that such remedial action cures any failure to meet the requirements with respect to the use of proceeds of the Bonds.

(l) Record Retention. The Town will retain all pertinent and material records relating to the use and expenditure of the proceeds of each issue of the Bonds until three years after such issue is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Town to retrieve and reproduce such books and records in the event of an examination of any issue of the Bonds by the Internal Revenue Service.

(m) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the Town's obligations under the covenants and provisions of this Section 9.03 will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion from gross income on the Bonds for federal income tax purposes.

ARTICLE X DEFAULT AND REMEDIES

Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

- (i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, which default materially and adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the Town.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge.

The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports.

(a) The Town shall provide annually to the MSRB, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the Town of the general type included in the final Official Statement, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit A hereto, and (ii) audited, if the Town commissions an audit of such statements and the audit is completed within the period during which they must be provided and (iii) submitted through EMMA, in an electronic format with accompany identifying information, as prescribed by the MSRB. If the audit of such financial statements is not complete within such period, then the Town shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to the MSRB. The Town shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if audited financial statements become available.

(b) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific referenced to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 12.02. Material Event Notices.

(a) The Town shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of an event, of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax exempt status of the Bonds;
- (vii) modifications to rights of Owners, if material;
- (viii) redemption calls, if material;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Town;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

The Town will provide notice of such events to the MSRB in an electronic format and accompanied by identifying information, as prescribed by the MSRB.

(b) As used in clause (xii) above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal

law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if jurisdiction has been assumed by leaving the City Council and official or officers of the Town in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

(c) The Town shall notify the MSRB, in a timely manner, of any failure by the Town to provide financial information or operating data in accordance with Section 12.01 of this Ordinance by the time required by such Section.

Section 12.03. Limitations, Disclaimers and Amendments.

(a) The Town shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Town remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Town in any event will give notice of any Bond calls and any defeasances that cause the Town to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the Town in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(e) The provisions of this Article may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law,

or a change in the identity, nature, status, or type of operations of the Town, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the Town (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the Town so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of financial information or operating data so provided.

ARTICLE XIII

AMENDMENTS; ATTORNEY GENERAL MODIFICATION

Section 13.01. Amendments.

This Ordinance shall constitute a contract with the Owners, be binding on the Town, and shall not be amended or repealed by the Town so long as any Bond remains outstanding except as permitted in this Section. The Town may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Town may, with the written consent of the Owners of the Bonds holding a majority in aggregate principal amount of the Bonds then outstanding and receipt of a Counsel's Opinion that such amendment, addition or rescission of any provisions of the Ordinance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

Section 13.02. Attorney General Modification.

In order to obtain the approval of the Bonds by the Attorney General of the State of Texas, any provision of this Ordinance may be modified, altered or amended after the date of its adoption if required by the Attorney General in connection with the Attorney General's examination as to the legality of the Bonds and approval thereof in accordance with the applicable law. Such changes, if any, shall be provided to the City Secretary and the City Secretary shall insert such changes into this Ordinance as if approved on the date hereof.

FINALLY PASSED, APPROVED AND EFFECTIVE this July ___, 2013.

Mayor, Town of Addison

ATTEST:

City Secretary
Town of Addison, Texas

APPROVED AS TO FORM:

By: _____
City Attorney, Town of Addison, Texas

EXHIBIT A

DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

The following information is referred to in Article XII of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Town to be provided annually in accordance with such Article are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The portions of the financial statements of the Town appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. Statistical and financial data set forth in Tables 1-6 and 8-15 of the Official Statement.

Accounting Principles

The accounting principles referred to in such Article are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

Council Agenda Item: #R6

AGENDA CAPTION:

DISCUSSION AND TAKE ACTION REGARDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, GENERAL OBLIGATION BONDS, TAXABLE SERIES 2013B; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

FINANCIAL IMPACT:

Authorizes the Town of Addison to issue approximately \$1,250,000 of General Obligation Bonds, Taxable Series 2013B.

BACKGROUND:

AUTHORITY FOR ISSUANCE . . . The Taxable Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1331, Texas Government Code, as amended, Section 5.11 of the Town's Home Rule Charter, and an election held within the Town on May 12, 2012 (the "Election") and are direct obligations of the Town of Addison, Texas (the "Town"), payable from a continuing ad valorem tax levied annually on all taxable property within the Town, within the limits prescribed by law, as provided in the ordinance authorizing the issuance of the Taxable Bonds.

PURPOSE . . . Proceeds from the sale of the Taxable Bonds, together with other available Town funds, will be used to provide funds to: (i) acquire and improve of land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (ii) to pay the costs of issuing the Taxable Bonds.

RECOMMENDATION:

Administration recommends approval.

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Infrastructure improvement and maintenance

ATTACHMENTS:

Description:

 [Ordinance authorizing Series 2013B \(Taxable\)](#)

Type:

Ordinance

BOND ORDINANCE

\$ _____

TOWN OF ADDISON, TEXAS
GENERAL OBLIGATION BONDS
TAXABLE SERIES 2013B

Dated: July 15, 2013

Adopted: July ___, 2013

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, \$ _____ GENERAL OBLIGATION BONDS, TAXABLE SERIES 2013B; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT; AND ENACTING OTHER PROVISIONS RELATING THERETO

WHEREAS, by this Ordinance, the Town Council of the Town of Addison, Texas (the “Town”), is authorizing the issuance of a series of taxable general obligation bonds; and

WHEREAS, the bonds hereinafter authorized were duly and favorably voted, as required by the Constitution and laws of the State of Texas, at an election held in the Town on May 12, 2012; and

WHEREAS, at said election, the following are among the purposes and amounts of the bonds which were authorized, reflecting any amount previously issued pursuant to each voted authorization, the amount therefrom being issued pursuant to this Ordinance, and the balance that remains unissued after the issuance of such bonds herein authorized, to wit:

| <u>Purpose</u> | <u>Amount Voted</u> | <u>Amount Previously Issued</u> | <u>Amount Being Issued</u> | <u>Unissued Balance</u> |
|----------------------------|-------------------------|---|--------------------------------|-----------------------------|
| <u>2012 Election</u> | | | | |
| Street Utilities | 29,500,000 | \$3,500,000 | \$ -0- | \$26,000,000 |
| Road Utilities/Streetscape | 10,000,000 | -0- | _____ | 10,000,000 |
| Airport Improvements | 7,000,000 | -0- | _____ | 7,000,000 |
| Parking Facilities | 3,000,000 | -0- | -0- | 3,000,000 |
| Total | <u>\$ 49,500,000</u> | <u>\$ 3,500,000</u> | <u>\$ _____</u> | <u>\$ 46,000,000</u> |

WHEREAS, the City Council hereby finds, determines and declares that it is necessary and in the best interest of the Town and its citizens that it authorize by this Ordinance the issuance and delivery of its bonds for the purposes herein stated at this time, all in a single issue; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Bond” means any of the Bonds.

“Bond Date” means the date designated as the initial date of the Bonds by Section 3.02(a) of this Ordinance.

“Bond Purchase Contract” means the bond purchase contract described in Section 7.01(b) of this Ordinance.

“Bonds” means the Town’s bonds authorized to be issued by Section 3.01 of this Ordinance and designated as “Town of Addison, Texas, General Obligation Bonds, Taxable Series 2013B.”

“Town” means the Town of Addison, Texas.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Ordinance, the Designated Payment/Transfer Office as designated in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the Town and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

“Initial Bond” means the Initial Bond authorized by Section 3.04 of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 2.02 of this Ordinance.

“Interest Payment Date” means the date or dates on which interest on the Bonds is scheduled to be paid until their respective dates of maturity, such dates being February 15 and August 15 of each year, commencing on February 15, 2014.

“MSRB” means the Municipal Securities Rulemaking Board.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means initially The Bank of New York Mellon Trust Company, National Association, or any successor thereto as provided in this Ordinance.

“Record Date” means the last business day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representation Letter” means the Blanket Letter of Representations between the Town and DTC.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Bonds as the same come due and payable and remaining unclaimed by the Owners of such Bonds after the applicable payment date.

“Underwriter” means, collectively, Stifel Nicolaus & Company, Incorporated, and BOSC, Inc.

Section 1.02. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section 2.01. Tax Levy.

(a) Pursuant to the authority granted by the Texas Constitution and the laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the Town, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent (2%) per annum (whichever amount is greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the Town most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(d) If the lien and provisions of this Ordinance shall be released in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit.

Section 2.02. Interest and Sinking Fund.

(a) The Town hereby establishes a special fund or account to be designated the "Town of Addison, Texas, General Obligation Bonds, Taxable Series 2013B, Interest and Sinking Fund," said fund to be maintained at an official depository bank of the Town separate and apart from all other funds and accounts of the Town.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization.

The Town's bonds, to be designated "Town of Addison, Texas, General Obligation Bonds, Taxable Series 2013B," are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas and Section 5.11 of the Charter of the Town. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purposes of making the following public improvements, to wit: (i) to acquire and improve land and interests in land, to provide improvements, additions and access to the Addison Municipal Airport; and (ii) and paying the costs of issuing the Bonds.

Section 3.02. Date, Denomination, Maturities and Interest.

(a) The Bonds shall be dated July 15, 2013. The Bonds shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years and in the principal amounts set forth in the following schedule:

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-----------------------------|----------------------|-------------|-----------------------------|----------------------|
| 2014 | | | 2024 | | |
| 2015 | | | 2025 | | |
| 2016 | | | 2026 | | |
| 2017 | | | 2027 | | |
| 2018 | | | 2028 | | |
| 2019 | | | 2029 | | |
| 2020 | | | 2030 | | |
| 2021 | | | 2031 | | |
| 2022 | | | 2032 | | |
| 2023 | | | 2033 | | |

(c) Interest shall accrue and be paid on each Bond respectively until its maturity, from the later of the Bond Date or the most recent Interest Payment Date to which interest has

been paid or provided for at the rates per annum for each respective maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable on each Interest Payment Date until maturity. Interest on the Bonds shall be calculated on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to each Owner as shown in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by first-class United States mail, postage prepaid, to the address of each Owner of a Bond appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

(c) Interest shall be paid by check, dated as of the Interest Payment Date, and sent by the Paying Agent/Registrar to each Owner by United States mail, first-class postage prepaid, to the address of each Owner as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar.

(d) The principal of each Bond shall be paid to the Owner thereof on the due date upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed Payments shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the accounts of the Owners of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after

the applicable payment date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the Town to be used for any lawful purpose. Thereafter, neither the Town, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed monies or on account of any such Bonds, subject to Title 6 of the Texas Property Code.

Section 3.04. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the Town by the Mayor and the City Secretary, by their manual or facsimile signatures, and the official seal of the Town shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Town had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the Town whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which Certificate shall be evidence that the Bond has been duly approved by the Attorney General of the State of Texas, that it is a valid and binding obligation of the Town and that it has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds payable in stated installments to the Underwriter, or its designee, executed by the Mayor and City Secretary of the Town by their manual or facsimile signatures, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Underwriter or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver a single registered, definitive Bond for each maturity, in the aggregate principal amount thereof, to DTC on behalf of the Underwriter.

Section 3.05. Ownership.

(a) The Town, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the Town nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the Town and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the Town shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

Section 3.07. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled and proper

records shall be made regarding such payment, exchange or replacement. The Paying Agent/Registrar shall then return such cancelled Bonds to the Town or may in accordance with law destroy such cancelled Bonds and periodically furnish the Town with certificates of destruction of such Bonds.

Section 3.08. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the Town may execute and, upon the Town's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the Town executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The Town, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and shall authenticate and deliver in exchange therefor Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Town or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the Town harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the Town and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the Town and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Town or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.10. Book-Entry Only System.

Notwithstanding any other provision hereof, upon initial issuance of the Bonds, the ownership of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Bonds shall be initially issued in the form of a single separate fully registered certificate for each of the maturities thereof.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever.

The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the Town to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

The Representation Letter previously executed and delivered by the Town, and applicable to the Town's obligations delivered in book-entry-only form to DTC as securities depository is hereby ratified and approved for the Bonds.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the Town or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representations Letter of the Town to DTC, or in the event DTC discontinues the services described herein, the Town or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION PROVISIONS

Section 4.01. Optional Redemption.

The Bonds maturing on or after February 15, 2024 are subject to redemption at the option of the Town on February 15, 2023 or on any date thereafter, in whole or in part, at a redemption price of par plus accrued interest to the date of redemption.

(a) The Town, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section 4.02. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of a Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge, notwithstanding any provision of Section 3.06 to the contrary.

(d) The Paying Agent/Registrar shall promptly notify the Town in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.03. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown in the Register on the Business Day next preceding the date of mailing of such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.04. Payment Upon Redemption.

(a) Before or on each redemption date, the Town shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the Town and shall use such funds solely for the

purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.05. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.04 of this Ordinance, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the Town fails to make payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the Town shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by the Town.

Section 4.06. Conditional Notice of Redemption.

(a) The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to a conditional notice of redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional notice of redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

The Bank of New York Mellon Trust Company, National Association, is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the Town will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the Town and the Paying Agent/Registrar. The signature of the Mayor shall be attested by the City Secretary of the Town. The form of the Paying Agent/Registrar Agreement presented at this meeting is hereby approved with such changes as may be approved by bond counsel to the Town.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Town will promptly appoint a replacement.

Section 5.04. Termination.

The Town, upon not less than sixty (60) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section 5.05. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the Town will cause notice of the change to be sent to each Owner by United States mail, first-class postage prepaid, at the address in the Register thereof, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the

provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association (“CUSIP Numbers”)) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Town or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of the Bonds.

The form of the Bond, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bond.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas
TOWN OF ADDISON, TEXAS
GENERAL OBLIGATION BOND
TAXABLE SERIES 2013B

INTEREST RATE: _____% MATURITY DATE: _____, _____ BOND DATE: July 15, 2013 CUSIP NUMBER: _____

The Town of Addison (the "Town"), in the County of Dallas, State of Texas, for value received, hereby promises to pay to

_____ or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

and to pay interest on such principal amount from the later of the Bond Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2014. All capitalized terms used herein but not defined shall have the meaning assigned to them in the Ordinance (defined below).

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "Designated Payment/Transfer Office") of The Bank of New York Mellon Trust Company, National Association, as Paying Agent/Registrar or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office thereof. Interest on this Bond is payable by check dated as of the interest payment date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expense of such other banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and

for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by first-class United States mail, postage prepaid, to the address of each owner of a Bond appearing in the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

This Bond is one of a series of fully registered bonds specified in the title hereof, issued in the aggregate principal amount of \$ _____ (herein referred to as the "Bonds"), issued pursuant to a certain ordinance of the Town (the "Ordinance") for the purpose of providing funds to make certain permanent public improvements as described in the Ordinance and to pay the costs of issuing the Bonds.

The Bonds maturing on and after February 15, 2024 are subject to redemption at the option of the Town on February 15, 2023 or on any date thereafter at a price of par plus interest accrued to the date of redemption. If less than all of the Bonds are to be redeemed pursuant to an optional redemption, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; and, from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying

Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to a conditional notice of redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional notice of redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond is overdue, and neither the Town nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the Town have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law; and that the total indebtedness of the Town, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the Town and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the Town has been duly impressed or placed in facsimile on this Bond.

Mayor, Town of Addison, Texas

City Secretary,
Town of Addison, Texas
[SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

| | | |
|---------------------------|---|--------------------|
| OFFICE OF THE COMPTROLLER | § | |
| OF PUBLIC ACCOUNTS | § | REGISTER NO. _____ |
| OF THE STATE OF TEXAS | § | |

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the Town of Addison, Texas, and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

[SEAL]

Comptroller of Public Accounts
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within mentioned Ordinance.

The Bank of New York Mellon Trust Company,
National Association
as Paying Agent/Registrar

Dated: _____ By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the words "CUSIP NUMBER" shall be deleted and the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below"; and

(ii) in the first paragraph of the Bond, the words “on the Maturity Date specified above” shall be deleted and the following will be inserted: “on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates in accordance with the following schedule:

| <u>Years</u> | <u>Principal Installments</u> | <u>Interest Rate</u> |
|--------------|-------------------------------|----------------------|
|--------------|-------------------------------|----------------------|

(Information to be inserted from Section 3.02 of this Ordinance)

Section 6.03. CUSIP Registration.

The Town may secure identification numbers through CUSIP Global Services, managed by Standard & Poor’s Financial Services LLC on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP Numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Town nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP Numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion.

The approving legal opinion of Bracewell & Giuliani LLP, Bond Counsel, may be attached to or printed on the reverse side of each Bond over the certification of the City Secretary of the Town, which may be executed in facsimile.

Section 6.05. Statement of Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds may be printed on or attached to each Bond.

ARTICLE VII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds; Official Statement.

(a) The Bonds are hereby officially sold and shall be delivered to the Underwriter in accordance with the terms and provisions of that certain bond purchase contract (the “Bond Purchase Contract”) relating to the Bonds between the Town and the Underwriter, dated as of the date of adoption of this Ordinance. The form and content of such Bond Purchase Contract are hereby approved, and the Mayor of the Town is hereby authorized and directed to execute and deliver such Bond Purchase Contract and, along with all other officers, agents and representatives of the Town, to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. It is hereby found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Bond shall initially be registered in the name of Stifel Nicolaus & Company, Incorporated, or its designee.

(b) The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, are hereby in all respects approved and adopted and is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Mayor and City Secretary are hereby authorized and directed to cause to be prepared a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Bonds, and to execute the same by manual or facsimile signature and deliver appropriate numbers of executed copies thereof to the Underwriter. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor and the Underwriter, may be used by the Underwriter in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Bonds by the Underwriter, is hereby ratified, approved and confirmed.

(c) All officers of the Town are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefor including, without limitation, the Bond Purchase Contract. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the Town is hereby authorized and directed to issue a check of the Town payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount per series to be the lesser of (i) 1/10th of 1% of the principal amount of such series of the Bonds or (ii) \$9,500.)

(d) The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of Bracewell & Giuliani LLP, bond counsel for the Town, which opinion shall be dated and delivered the Closing Date.

Section 7.02. Control and Delivery of Bonds.

(a) The Mayor of the Town is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Underwriter thereof under and subject to the general supervision and direction of the Mayor, against receipt by the Town of all amounts due to the Town under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary shall for

the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

Section 7.03. Deposit of Proceeds.

(a) First: All amounts received on the Closing Date as accrued interest on the Bonds from the Bond Date to the Closing Date shall be deposited to the Interest and Sinking Fund.

(b) Second: Proceeds of the Bonds in the amount of \$_____ and premium allocated to the 2012 bond authorization in the amount of \$_____ shall be deposited to a special fund of the Town and such moneys shall be used for the purposes described in Section 3.01(i) herein.

(c) Third: Premium in the amount of \$_____ shall be deposited to a special account of the Town and shall be used to pay the costs and expenses pertaining to the issuance of the Bonds, including allocation to underwriter's discount. To the extent any of such amount is not used for such purposes, such excess shall be deposited to the Interest and Sinking Fund.

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance and accounts provided for in Section 7.03(c), at the Town's option, may be invested in such securities or obligations as permitted under applicable law. The Town's City Manager, Financial Services Manager, and any other officer of the Town authorized to make investments on behalf of the Town, are hereby authorized and directed to execute and deliver, on behalf of the Town, any and all investment agreements, guaranteed investment contracts or repurchase agreements in connection with the investment of moneys on deposit in the Interest and Sinking Fund and the accounts provided for in Section 7.03(c), but only to the extent such investment agreements, guaranteed investment contracts or repurchase agreements are authorized investments under applicable law.

(b) Any securities or obligations in which money in the Interest and Sinking Fund is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.02. Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such fund.

(b) Interest and income derived from the investment of the funds deposited pursuant to Section 7.03(c) hereof shall be credited to the fund or account where deposited until the costs

and expenses pertaining to the issuance of the Bonds are paid or shall be transferred to the Interest and Sinking Fund as shall be determined by the City Council.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds.

On or before each Interest Payment Date and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of the Bonds as will accrue or mature on the applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants.

(a) The Town will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance; the Town will promptly pay or cause to be paid the principal of and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the Town will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The Town is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Town in accordance with their terms.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, which default materially and adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the Town.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge.

The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports.

(a) The Town shall provide annually to the MSRB, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the Town of the general type included in the final Official Statement, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit A hereto, and (ii) audited, if the Town commissions an audit of such statements and the audit is completed within the period during which they must be provided and (iii) submitted through EMMA, in an electronic format with

accompany identifying information, as prescribed by the MSRB. If the audit of such financial statements is not complete within such period, then the Town shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to the MSRB. The Town shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if audited financial statements become available.

(b) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific referenced to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB of filed with the SEC.

Section 12.02. Material Event Notices.

(a) The Town shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of an event, of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax exempt status of the Bonds;
- (vii) modifications to rights of Owners, if material;
- (viii) redemption calls, if material;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Town;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

The Town will provide notice of such events to the MSRB in an electronic format and accompanied by identifying information, as prescribed by the MSRB.

(b) As used in clause (xii) above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if jurisdiction has been assumed by leaving the City Council and official or officers of the Town in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

(c) The Town shall notify the MSRB, in a timely manner, of any failure by the Town to provide financial information or operating data in accordance with Section 12.01 of this Ordinance by the time required by such Section.

Section 12.03. Limitations, Disclaimers and Amendments.

(a) The Town shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Town remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Town in any event will give notice of any Bond calls and any defeasances that cause the Town to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY

THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the Town in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(e) The provisions of this Article may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the Town (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the Town so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of financial information or operating data so provided.

ARTICLE XIII

AMENDMENTS; ATTORNEY GENERAL MODIFICATION

Section 13.01. Amendments.

This Ordinance shall constitute a contract with the Owners, be binding on the Town, and shall not be amended or repealed by the Town so long as any Bond remains outstanding except as permitted in this Section. The Town may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Town may, with the written consent of the Owners of the Bonds holding a majority in aggregate principal amount of the Bonds then outstanding and receipt of a Counsel's Opinion that such amendment, addition or rescission of any provisions of the Ordinance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal

of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

Section 13.02. Attorney General Modification.

In order to obtain the approval of the Bonds by the Attorney General of the State of Texas, any provision of this Ordinance may be modified, altered or amended after the date of its adoption if required by the Attorney General in connection with the Attorney General's examination as to the legality of the Bonds and approval thereof in accordance with the applicable law. Such changes, if any, shall be provided to the City Secretary and the City Secretary shall insert such changes into this Ordinance as if approved on the date hereof.

FINALLY PASSED, APPROVED AND EFFECTIVE this July ___, 2013.

Mayor, Town of Addison

ATTEST:

City Secretary
Town of Addison, Texas

APPROVED AS TO FORM:

By: _____
City Attorney, Town of Addison, Texas

*Signature Page for Ordinance
Taxable Series 2013B General Obligation Bonds*

EXHIBIT A

DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

The following information is referred to in Article XII of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Town to be provided annually in accordance with such Article are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The portions of the financial statements of the Town appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. Statistical and financial data set forth in Tables 1-6 and 8-15 of the Official Statement.

Accounting Principles

The accounting principles referred to in such Article are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

Council Agenda Item: #R7

AGENDA CAPTION:

DISCUSSION AND TAKE ACTION REGARDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, GENERAL OBLIGATION BONDS, TAX-EXEMPT SERIES 2013; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT AND A PAYING AGENT AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO

FINANCIAL IMPACT:

Authorizes the Town of Addison to issue approximately \$4,875,000 of General Obligation Bonds, Tax-Exempt Series 2013.

BACKGROUND:

Authority for Issuance:

The Tax-Exempt Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1331, Texas Government Code, as amended, Section 5.11 of the Town's Home Rule Charter, and an election held within the Town on May 12, 2012 (the "Election") and are direct obligations of the Town of Addison, Texas (the "Town"), payable from a continuing ad valorem tax levied annually on all taxable property within the Town, within the limits prescribed by law, as provided in the ordinance authorizing the issuance of the Tax-Exempt Bonds.

Purpose: Proceeds from the sale of the Tax-Exempt Bonds will be used to provide funds to: (i) engineer, construct, improve, repairing, develop, extend and expand streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of land therefor; (ii) acquire and improve of land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (iii) to

pay the costs of issuing the Tax-Exempt Bonds.

RECOMMENDATION:


Administration recommends approval.

COUNCIL GOALS:

Mindful Stewardship of Town Resources, Infrastructure improvement and maintenance, Implement bond propositions

ATTACHMENTS:

Description:

 [Ordinance authorizing, Series 2013 \(Tax-Exempt\)](#)

Type:

Ordinance

BOND ORDINANCE

\$ _____

TOWN OF ADDISON, TEXAS
GENERAL OBLIGATION BONDS
TAX-EXEMPT SERIES 2013

Dated: July 15, 2013

Adopted: July ___, 2013

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF ADDISON, TEXAS, \$ _____ GENERAL OBLIGATION BONDS, TAX-EXEMPT SERIES 2013; LEVYING A TAX IN PAYMENT THEREOF; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION OF A PURCHASE CONTRACT; AND ENACTING OTHER PROVISIONS RELATING THERETO

WHEREAS, by this Ordinance, the Town Council of the Town of Addison, Texas (the “Town”), is authorizing the issuance of a series of tax-exempt general obligation bonds; and

WHEREAS, the bonds hereinafter authorized were duly and favorably voted, as required by the Constitution and laws of the State of Texas, at an election held in the Town on May 12, 2012; and

WHEREAS, at said election, the following are among the purposes and amounts of the bonds which were authorized, reflecting any amount previously issued pursuant to each voted authorization, the amount therefrom being issued pursuant to this Ordinance, and the balance that remains unissued after the issuance of such bonds herein authorized, to wit:

| <u>Purpose</u> | <u>Amount Voted</u> | <u>Amount Previously Issued</u> | <u>Amount Being Issued</u> | <u>Unissued Balance</u> |
|----------------------------|-------------------------|---|--------------------------------|-----------------------------|
| <u>2012 Election</u> | | | | |
| Street Utilities | 29,500,000 | \$3,500,000 | \$ -0- | \$26,000,000 |
| Road Utilities/Streetscape | 10,000,000 | -0- | _____ | 10,000,000 |
| Airport Improvements | 7,000,000 | -0- | _____ | 7,000,000 |
| Parking Facilities | 3,000,000 | -0- | -0- | 3,000,000 |
| Total | <u>\$ 49,500,000</u> | <u>\$ 3,500,000</u> | <u>\$ _____</u> | <u>\$ 46,000,000</u> |

WHEREAS, the City Council hereby finds, determines and declares that it is necessary and in the best interest of the Town and its citizens that it authorize by this Ordinance the issuance and delivery of its bonds for the purposes herein stated at this time, all in a single issue; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ADDISON:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Bond” means any of the Bonds.

“Bond Date” means the date designated as the initial date of the Bonds by Section 3.02(a) of this Ordinance.

“Bond Purchase Contract” means the bond purchase contract described in Section 7.01(b) of this Ordinance.

“Bonds” means the Town’s bonds authorized to be issued by Section 3.01 of this Ordinance and designated as “Town of Addison, Texas, General Obligation Bonds, Tax-Exempt Series 2013.”

“Town” means the Town of Addison, Texas.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Ordinance, the Designated Payment/Transfer Office as designated in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the Town and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

“Initial Bond” means the Initial Bond authorized by Section 3.04 of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 2.02 of this Ordinance.

“Interest Payment Date” means the date or dates on which interest on the Bonds is scheduled to be paid until their respective dates of maturity, such dates being February 15 and August 15 of each year, commencing on February 15, 2014.

“MSRB” means the Municipal Securities Rulemaking Board.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means initially The Bank of New York Mellon Trust Company, National Association, or any successor thereto as provided in this Ordinance.

“Record Date” means the last business day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representation Letter” means the Blanket Letter of Representations between the Town and DTC.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Bonds as the same come due and payable and remaining unclaimed by the Owners of such Bonds after the applicable payment date.

“Underwriter” means, collectively, Stifel Nicolaus & Company, Incorporated, and BOSC, Inc.

Section 1.02. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section 2.01. Tax Levy.

(a) Pursuant to the authority granted by the Texas Constitution and the laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the Town, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent (2%) per annum (whichever amount is greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the Town most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(d) If the lien and provisions of this Ordinance shall be released in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit.

Section 2.02. Interest and Sinking Fund.

(a) The Town hereby establishes a special fund or account to be designated the "Town of Addison, Texas, General Obligation Bonds, Tax-Exempt Series 2013, Interest and Sinking Fund," said fund to be maintained at an official depository bank of the Town separate and apart from all other funds and accounts of the Town.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization.

The Town's bonds, to be designated "Town of Addison, Texas, General Obligation Bonds, Tax-Exempt Series 2013," are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas and Section 5.11 of the Charter of the Town. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purposes of (i) making the following public improvements, to wit: \$_____ for engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including necessary and related storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of any needed rights-of-way therefor; (ii) \$_____ acquire and improvement of land and interests in land to provide improvements, additions and access to the Addison Municipal Airport; and (iii) and paying the costs of issuing the Bonds.

Section 3.02. Date, Denomination, Maturities and Interest.

(a) The Bonds shall be dated July 15, 2013. The Bonds shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years and in the principal amounts set forth in the following schedule:

Serial Bonds

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-----------------------------|----------------------|-------------|-----------------------------|----------------------|
| 2014 | | | 2024 | | |
| 2015 | | | 2025 | | |
| 2016 | | | 2026 | | |
| 2017 | | | 2027 | | |
| 2018 | | | 2028 | | |
| 2019 | | | 2029 | | |
| 2020 | | | 2030 | | |
| 2021 | | | 2031 | | |
| 2022 | | | 2032 | | |
| 2023 | | | 2033 | | |

| | | | | | |
|-------------|-----------------------------|----------------------|-------------|-----------------------------|----------------------|
| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-----------------------------|----------------------|-------------|-----------------------------|----------------------|

(c) Interest shall accrue and be paid on each Bond respectively until its maturity, from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable on each Interest Payment Date until maturity. Interest on the Bonds shall be calculated on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to each Owner as shown in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by first-class United States mail, postage prepaid, to the address of each Owner of a Bond appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

(c) Interest shall be paid by check, dated as of the Interest Payment Date, and sent by the Paying Agent/Registrar to each Owner by United States mail, first-class postage prepaid, to the address of each Owner as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar.

(d) The principal of each Bond shall be paid to the Owner thereof on the due date upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same

force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed Payments shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the accounts of the Owners of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the Town to be used for any lawful purpose. Thereafter, neither the Town, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed monies or on account of any such Bonds, subject to Title 6 of the Texas Property Code.

Section 3.04. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the Town by the Mayor and the City Secretary, by their manual or facsimile signatures, and the official seal of the Town shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Town had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the Town whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which Certificate shall be evidence that the Bond has been duly approved by the Attorney General of the State of Texas, that it is a valid and binding obligation of the Town and that it has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds payable in stated installments to the Underwriter, or its designee, executed by the Mayor and City Secretary of the Town by their manual or facsimile signatures, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts,

will be delivered to the Underwriter or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver a single registered, definitive Bond for each maturity, in the aggregate principal amount thereof, to DTC on behalf of the Underwriter.

Section 3.05. Ownership.

(a) The Town, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the Town nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the Town and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the Town shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

Section 3.07. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled and proper records shall be made regarding such payment, exchange or replacement. The Paying Agent/Registrar shall then return such cancelled Bonds to the Town or may in accordance with law destroy such cancelled Bonds and periodically furnish the Town with certificates of destruction of such Bonds.

Section 3.08. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the Town may execute and, upon the Town's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the Town executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The Town, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and shall authenticate and deliver in exchange therefor Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Town or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar to save it and the Town harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the Town and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the Town and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Town or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the Town and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.10. Book-Entry Only System.

Notwithstanding any other provision hereof, upon initial issuance of the Bonds, the ownership of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Bonds shall be initially issued in the form of a single separate fully registered certificate for each of the maturities thereof.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this

Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the Town to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

The Representation Letter previously executed and delivered by the Town, and applicable to the Town's obligations delivered in book-entry-only form to DTC as securities depository is hereby ratified and approved for the Bonds.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the Town or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representations Letter of the Town to DTC, or in the event DTC discontinues the services described herein, the Town or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION PROVISIONS

Section 4.01. Optional Redemption.

The Bonds maturing on or after February 15, 2024 are subject to redemption at the option of the Town on February 15, 2023 or on any date thereafter, in whole or in part, at a redemption price of par plus accrued interest to the date of redemption.

(a) The Town, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section 4.02. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of a Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge, notwithstanding any provision of Section 3.06 to the contrary.

(d) The Paying Agent/Registrar shall promptly notify the Town in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.03. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown in the Register on the Business Day next preceding the date of mailing of such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.04. Payment Upon Redemption.

(a) Before or on each redemption date, the Town shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the Town and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.05. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.04 of this Ordinance, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the Town fails to make payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the Town shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by the Town.

Section 4.06. Conditional Notice of Redemption.

(a) The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to a conditional notice of redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional notice of redemption, the failure of the Town to make moneys and or authorized

securities available in part or in whole on or before the redemption date shall not constitute an event of default.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

The Bank of New York Mellon Trust Company, National Association, is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the Town will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the Town and the Paying Agent/Registrar. The signature of the Mayor shall be attested by the City Secretary of the Town. The form of the Paying Agent/Registrar Agreement presented at this meeting is hereby approved with such changes as may be approved by bond counsel to the Town.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Town will promptly appoint a replacement.

Section 5.04. Termination.

The Town, upon not less than sixty (60) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section 5.05. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the Town will cause notice of the change to be sent to each Owner by United States mail, first-class postage prepaid, at the address in the Register thereof, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the

provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association (“CUSIP Numbers”)) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Town or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of the Bonds.

The form of the Bond, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bond.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas
TOWN OF ADDISON, TEXAS
GENERAL OBLIGATION BOND
TAX-EXEMPT SERIES 2013

INTEREST RATE: _____% MATURITY DATE: _____, _____ BOND DATE: July 15, 2013 CUSIP NUMBER: _____

The Town of Addison (the "Town"), in the County of Dallas, State of Texas, for value received, hereby promises to pay to

_____ or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

and to pay interest on such principal amount from the later of the Bond Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2014. All capitalized terms used herein but not defined shall have the meaning assigned to them in the Ordinance (defined below).

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "Designated Payment/Transfer Office") of The Bank of New York Mellon Trust Company, National Association, as Paying Agent/Registrar or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office thereof. Interest on this Bond is payable by check dated as of the interest payment date, and will be mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner; provided, however, such registered owner shall bear all risk and expense of such other banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled payment date and

for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by first-class United States mail, postage prepaid, to the address of each owner of a Bond appearing in the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

This Bond is one of a series of fully registered bonds specified in the title hereof, issued in the aggregate principal amount of \$ _____ (herein referred to as the "Bonds"), issued pursuant to a certain ordinance of the Town (the "Ordinance") for the purpose of providing funds to make certain permanent public improvements as described in the Ordinance and to pay the costs of issuing the Bonds.

The Bonds maturing on and after February 15, 2024 are subject to redemption at the option of the Town on February 15, 2023 or on any date thereafter at a price of par plus interest accrued to the date of redemption. If less than all of the Bonds are to be redeemed pursuant to an optional redemption, the Town shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; and, from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

The Town reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the Town retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the Town delivers a certificate of the Town to the Paying Agent/Registrar instructing the Paying

Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to a conditional notice of redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional notice of redemption, the failure of the Town to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The Town, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond is overdue, and neither the Town nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that ad valorem taxes upon all taxable property in the Town have been levied for and pledged to the payment of the debt service requirements of the Bonds, within the limit prescribed by law; and that the total indebtedness of the Town, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the Town and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the Town has been duly impressed or placed in facsimile on this Bond.

Mayor, Town of Addison, Texas

City Secretary,
Town of Addison, Texas
[SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

| | | |
|---------------------------|---|--------------------|
| OFFICE OF THE COMPTROLLER | § | |
| OF PUBLIC ACCOUNTS | § | REGISTER NO. _____ |
| OF THE STATE OF TEXAS | § | |

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the Town of Addison, Texas, and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

[SEAL]

Comptroller of Public Accounts
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within mentioned Ordinance.

The Bank of New York Mellon Trust Company,
National Association
as Paying Agent/Registrar

Dated: _____ By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the words "CUSIP NUMBER" shall be deleted and the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below"; and

(ii) in the first paragraph of the Bond, the words “on the Maturity Date specified above” shall be deleted and the following will be inserted: “on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates in accordance with the following schedule:

| <u>Years</u> | <u>Principal Installments</u> | <u>Interest Rate</u> |
|--------------|-------------------------------|----------------------|
|--------------|-------------------------------|----------------------|

(Information to be inserted from Section 3.02 of this Ordinance)

Section 6.03. CUSIP Registration.

The Town may secure identification numbers through CUSIP Global Services, managed by Standard & Poor’s Financial Services LLC on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP Numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Town nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP Numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion.

The approving legal opinion of Bracewell & Giuliani LLP, Bond Counsel, may be attached to or printed on the reverse side of each Bond over the certification of the City Secretary of the Town, which may be executed in facsimile.

Section 6.05. Statement of Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds may be printed on or attached to each Bond.

ARTICLE VII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds; Official Statement.

(a) The Bonds are hereby officially sold and shall be delivered to the Underwriter in accordance with the terms and provisions of that certain bond purchase contract (the “Bond Purchase Contract”) relating to the Bonds between the Town and the Underwriter, dated as of the date of adoption of this Ordinance. The form and content of such Bond Purchase Contract are hereby approved, and the Mayor of the Town is hereby authorized and directed to execute and deliver such Bond Purchase Contract and, along with all other officers, agents and representatives of the Town, to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. It is hereby found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Bond shall initially be registered in the name of Stifel Nicolaus & Company, Incorporated, or its designee.

(b) The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, are hereby in all respects approved and adopted and is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Mayor and City Secretary are hereby authorized and directed to cause to be prepared a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Bonds, and to execute the same by manual or facsimile signature and deliver appropriate numbers of executed copies thereof to the Underwriter. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor and the Underwriter, may be used by the Underwriter in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Bonds by the Underwriter, is hereby ratified, approved and confirmed.

(c) All officers of the Town are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefor including, without limitation, the Bond Purchase Contract. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the Town is hereby authorized and directed to issue a check of the Town payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount per series to be the lesser of (i) 1/10th of 1% of the principal amount of such series of the Bonds or (ii) \$9,500.)

(d) The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of Bracewell & Giuliani LLP, bond counsel for the Town, which opinion shall be dated and delivered the Closing Date.

Section 7.02. Control and Delivery of Bonds.

(a) The Mayor of the Town is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Underwriter thereof under and subject to the general supervision and direction of the Mayor, against receipt by the Town of all amounts due to the Town under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary shall for

the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

Section 7.03. Deposit of Proceeds.

(a) First: All amounts received on the Closing Date as accrued interest on the Bonds from the Bond Date to the Closing Date shall be deposited to the Interest and Sinking Fund.

(b) Second: Proceeds of the Bonds in the amount of \$_____ and premium allocated to the 2012 bond authorization in the amount of \$_____ shall be deposited to a special fund of the Town and such moneys shall be used for the purposes described in Section 3.01(i) herein.

(c) Third: Premium in the amount of \$_____ shall be deposited to a special account of the Town and shall be used to pay the costs and expenses pertaining to the issuance of the Bonds, including allocation to Underwriter' discount. To the extent any of such amount is not used for such purposes, such excess shall be deposited to the Interest and Sinking Fund.

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance and accounts provided for in Section 7.03(c), at the Town's option, may be invested in such securities or obligations as permitted under applicable law. The Town's City Manager, Financial Services Manager, and any other officer of the Town authorized to make investments on behalf of the Town, are hereby authorized and directed to execute and deliver, on behalf of the Town, any and all investment agreements, guaranteed investment contracts or repurchase agreements in connection with the investment of moneys on deposit in the Interest and Sinking Fund and the accounts provided for in Section 7.03(c), but only to the extent such investment agreements, guaranteed investment contracts or repurchase agreements are authorized investments under applicable law.

(b) Any securities or obligations in which money in the Interest and Sinking Fund is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.02. Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such fund.

(b) Interest and income derived from the investment of the funds deposited pursuant to Section 7.03(c) hereof shall be credited to the fund or account where deposited until the costs

and expenses pertaining to the issuance of the Bonds are paid or shall be transferred to the Interest and Sinking Fund as shall be determined by the City Council.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds.

On or before each Interest Payment Date and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of the Bonds as will accrue or mature on the applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants.

(a) The Town will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance; the Town will promptly pay or cause to be paid the principal of and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the Town will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The Town is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Town in accordance with their terms.

Section 9.03. Federal Income Tax Exclusion.

(a) The Town intends that the interest on the Bonds will be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations promulgated thereunder (the "Regulations"). The Town covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes. In particular, the Town covenants and agrees to comply with each requirement of this Section 9.03; provided, however, that the Town will not be required to comply with any particular requirement of this Section 9.03 if the Town has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds (ii) or compliance with some other requirement set forth in this Section 9.03 will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 9.03.

(b) No Private Use or Payment and No Private Loan Financing. The Town will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the

proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “private activity bonds” within the meaning of section 141 of the Code and the Regulations. The Town covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code and the Regulations.

(c) No Federal Guaranty. The Town covenants and agrees that it has not and will not take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b)(3) of the Code and the Regulations.

(d) Bonds are not Hedge Bonds. The Town covenants and agrees not to take any action, or knowingly omit to take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code and the Regulations.

(e) No Arbitrage. The Town will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the Town will reasonably expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations. Moreover, the Town covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations.

(f) Arbitrage Rebate. If the Town does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the Town will take all necessary steps to comply with the requirement that certain amounts earned by the Town on the investment of the “gross proceeds” of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the Town will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the Town allocable to other bond issues of the Town or moneys which do not represent gross proceeds of any bonds of the Town, (ii) calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Bonds which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the Town will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in

the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The Town covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code and the Regulations.

(h) Record Retention. The Town will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Bonds until six years after the last Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the Town to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

(i) Registration. The Bonds will be issued in registered form.

(j) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the Town's obligations under the covenants and provisions of this Section 9.03 shall survive the defeasance and discharge of the Bonds.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, which default materially and adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the Town.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed

against the Town for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge.

The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports.

(a) The Town shall provide annually to the MSRB, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the Town of the general type included in the final Official Statement, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit A hereto, and (ii) audited, if the Town commissions an audit of such statements and the audit is completed within the period during which they must be provided and (iii) submitted through EMMA, in an electronic format with accompany identifying information, as prescribed by the MSRB. If the audit of such financial statements is not complete within such period, then the Town shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the

applicable fiscal year to the MSRB. The Town shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if audited financial statements become available.

(b) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific referenced to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB of filed with the SEC.

Section 12.02. Material Event Notices.

(a) The Town shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of an event, of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax exempt status of the Bonds;
- (vii) modifications to rights of Owners, if material;
- (viii) redemption calls, if material;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Town;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

The Town will provide notice of such events to the MSRB in an electronic format and accompanied by identifying information, as prescribed by the MSRB.

(b) As used in clause (xii) above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if jurisdiction has been assumed by leaving the City Council and official or officers of the Town in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

(c) The Town shall notify the MSRB, in a timely manner, of any failure by the Town to provide financial information or operating data in accordance with Section 12.01 of this Ordinance by the time required by such Section.

Section 12.03. Limitations, Disclaimers and Amendments.

(a) The Town shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Town remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Town in any event will give notice of any Bond calls and any defeasances that cause the Town to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH

BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the Town in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(e) The provisions of this Article may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the Town (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the Town so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of financial information or operating data so provided.

ARTICLE XIII

AMENDMENTS; ATTORNEY GENERAL MODIFICATION

Section 13.01. Amendments.

This Ordinance shall constitute a contract with the Owners, be binding on the Town, and shall not be amended or repealed by the Town so long as any Bond remains outstanding except as permitted in this Section. The Town may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Town may, with the written consent of the Owners of the Bonds holding a majority in aggregate principal amount of the Bonds then outstanding and receipt of a Counsel's Opinion that such amendment, addition or rescission of any provisions of the Ordinance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the

aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

Section 13.02. Attorney General Modification.

In order to obtain the approval of the Bonds by the Attorney General of the State of Texas, any provision of this Ordinance may be modified, altered or amended after the date of its adoption if required by the Attorney General in connection with the Attorney General's examination as to the legality of the Bonds and approval thereof in accordance with the applicable law. Such changes, if any, shall be provided to the City Secretary and the City Secretary shall insert such changes into this Ordinance as if approved on the date hereof.

FINALLY PASSED, APPROVED AND EFFECTIVE this July ___, 2013.

Mayor, Town of Addison

ATTEST:

City Secretary
Town of Addison, Texas

APPROVED AS TO FORM:

By: _____
City Attorney, Town of Addison, Texas

*Signature Page for Ordinance
Tax-Exempt Series 2013 General Obligation Bonds*

EXHIBIT A

DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

The following information is referred to in Article XII of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Town to be provided annually in accordance with such Article are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The portions of the financial statements of the Town appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. Statistical and financial data set forth in Tables 1-6 and 8-15 of the Official Statement.

Accounting Principles

The accounting principles referred to in such Article are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.